

- *Budget Message of the Governor*
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FROM THE

CALIFORNIA STATE BUDGET

SUPPORT AND LOCAL ASSISTANCE

CAPITAL OUTLAY

AND

FIVE-YEAR CONSTRUCTION PROGRAM

For the Fiscal Year

July 1, 1967 to June 30, 1968



Submitted by

RONALD REAGAN

Governor

to the

CALIFORNIA LEGISLATURE

1967 Regular Session

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RONALD REAGAN
GOVERNOR

State of California

GOVERNOR'S OFFICE
SACRAMENTO 95814

January 31, 1967

Budget Message

To the Senate and Assembly of the Legislature of California:

In conformance with provisions of the State Constitution which require that the Budget be presented to you within the first 30 days of the Legislative session, I submit herewith for your review and consideration the State of California Budget for fiscal year 1967-68.

Even under the best of conditions, it is an almost impossible task to convert, in a few weeks, such a massive and complex fiscal program to our basic objective of assuring that essential public services will be met at the lowest possible cost consistent with quality. But our task was made more difficult by the fact that we have fallen heir to the most serious fiscal dilemma that has faced the State of California in more than a quarter of a century.

The truth is that, within the 30 days available, it has been impossible for us to make all of the hard and realistic decisions required to provide you at this time with the kind of completeness in the proposed 1967-68 financial plan that is necessary for your analysis.

However, many such decisions already have been made and they are reflected within this document as a basic framework for providing efficient and economical public services. At the same time, we are continuing to make further detailed analyses of the proposed reductions, and the results will be submitted to you in the immediate weeks ahead.

Thus, we believe there will be little, if any, delay in providing the information you require for penetrating examination of our proposed economies and changes.

Scope of the Budget

This budget we submit for fiscal 1967-68 totals \$4.6 billion, reflecting a decrease of \$251 million, or about 5 per cent, from revised fiscal year 1966-67 expenditures of \$4.9 billion. Of this amount, \$1.1 billion is from special funds, which are restricted for such purposes as highway construction and maintenance, fish and game activities, and other special and regulatory functions. An additional \$519 million pertains to bond funds, which are devoted mainly for construction of the State water project, facilities for the State University and Colleges, and beach and park expansion. The remaining \$3.0 billion is for the General Fund, through which various State operations and local assistance programs are financed.

With a growing population in an expanding economy, the trend of rising costs in government as a whole is not unusual. But, unusual indeed, and alarming, is the inner dimension of this upward spiral in the State of California government.

Although special fund agencies are being required to economize along with those in the General Fund, and although bond funds will be spent with diligent attention to a sensible pace and the attainment of the most favorable interest rates, it is within the General Fund itself that the deepest analytical thought must be applied at this crucial time.

Insofar as the General Fund is concerned, the following brief table illustrates the broad aspects of the recommended essential spending program for 1967-68 as related to that of 1966-67:

GENERAL FUND			
(Millions)			
	<i>1966-67</i>	<i>1967-68</i>	<i>Change</i>
State Operations-----	\$1,057	\$986	-\$71
Local Assistance -----	1,899	1,994	95
Capital Outlay -----	43	7	- 36
	<hr/>	<hr/>	<hr/>
Totals -----	\$2,999	\$2,987	-\$12

As you can see, we are urging that total General Fund spending for this coming fiscal year be held at approximately the same level as this present year. A disclosure of the basic reasons for this decision seems appropriate at this point.

During the past several years, expenditures of the General Fund have increased each year over the preceding year by nearly 12 per cent, with the increase of the present fiscal year over last year exceeding more than 16 per cent. And, since the General Fund is largely "people-oriented" (education, health, welfare, corrections, etc.), it is interesting to note that the State's population has increased only about 3 per cent per year, and that the cost of living has risen only 2 per cent per year. In brief, while it has taken our population nearly 20 years to double, General Fund spending has more than doubled in the last seven years.

The General Fund, which stands at a record \$3 billion expenditure level, is imperiled not only by its unchecked growth, but also by an unrealistic accounting of its income.

Early in 1966, action was taken to supposedly "balance" the General Fund for fiscal year 1966-67. That action pertained to a changeover from a cash system of accounting for revenues to an accrual system. In effect, this resulted in recording in the General Fund account substantially more than 12 months income to cover 12 months' expenditures. This was done by adding various revenues to be collected in the early part of the next fiscal year which were considered to have been earned in the present fiscal year to the total cash income actually collected in this fiscal year.

This fiscal maneuver in reality was only on paper. We actually started this year with \$193 million in cash. Now, all but \$7 million of that has been spent and another \$180 million has been borrowed. In other words, even the record revenue was not enough. In fact, General Fund spending is \$1 million per day more than we are taking in. Outgo presently exceeds income by more than \$365 million a year.

As a result, the coming fiscal year will find the General Fund with no cash balance, but instead, a cash deficit of approximately \$173 million. That astonishing condition has not been experienced in the State since the beginning of World War II.

Can anyone hesitate over or even question the need of immediate remedial action? Not only is such action required by our State Constitution, we must be mindful of the fact that we finance

our great water project and expenditures for our schools—from elementary to university—by the sale of approximately \$600 million worth of bonds a year. Our ability to do this, and the interest rate we must pay, is directly related to the confidence people have in our fiscal integrity.

This critical condition of the General Fund makes it imperative for all of us to take severe measures to curtail the pace of spending to match the pace of income. The Budget proposed for 1967–68, therefore, represents such measures.

Although we have recognized increased workload requirements of State agencies, including full-year costs of those new programs authorized by previous Legislatures, all General Fund agencies have been directed to apply a 10 per cent reduction in their operating expenditures. As stated previously, it is recognized that this procedure will require the transmitting of supplemental detailed information to the Legislature in order to clarify and justify the proposed cost reductions. While an overall 10 per cent reduction is a minimum necessity for coping with the General Fund financial problem, it is essential, of course, for us to examine the effects of the reduction in each program in order to assure that required services will not be damaged or eliminated. Undoubtedly we will find that some agencies are able to contribute more than 10 per cent to the economy drive, while others may find it impossible to contribute as much as 10 per cent. Within the next four to eight weeks, the revised budgets for the various agencies will be prepared reflecting the necessary details of reductions in their operations.

Although 90 per cent of the General Fund expenditures for local assistance are fixed by the Constitution or statutes, the remaining 10 per cent represent annual appropriations which are controllable to a large extent. These relatively few areas either have been adjusted the same as State agency budgets or have been held to current year levels in the proposed Budget. We plan, however, to continue our evaluation of statutory programs for possible reductions.

Sharing the Burden

Every segment of the State government must be considered in this urgent economy move, just as every citizen is expected to share in any required increases in taxes. Therefore, since the cost of higher education represents such a large part of state opera-

tions in the General Fund, it is felt that the University of California and State Colleges must, along with all other State agencies, be included in the "belt-tightening". If this is not done, other essential State services would be crippled by disproportionate curtailment of funds.

I want to make it clear that I fully support the preservation of quality education and enrollment of the largest number of qualified students possible. Quality education sets the very foundation for the success of our society. I am dedicated to that principle.

The University and Colleges can and should participate in this essential economy drive, however, by thorough evaluation of the opportunities for improvement and savings in their academic and administrative operations. Many such ways of improvement already have been under discussion constructively and productively with representatives of both the University and Colleges. This is appreciated.

Realistic tuitions at both the University and Colleges also have been discussed and seem entirely feasible. The sheer weight of facts, economic and otherwise, can and should, in the final analysis, overcome the emotional reaction against tuition. We look forward to discussing these facts with the Legislature during the course of your consideration of this Budget. I firmly believe, however, that any tuition plan should carry within itself the means for accomplishing a student aid program to cover those who are qualified to attend the University or Colleges but who are less fortunate economically.

There has been some concern that economy cuts and/or tuition for the University and Colleges might result in a substantial diversion of students to Junior Colleges. The economic and other factors regarding such concern have been explored, and we do not anticipate such a problem.

In the General Fund Budget, the Executive branch also is asking the Legislature and Judiciary to share the responsibility for economizing. We have reflected for the Legislature and Judiciary, therefore, the same criteria applied to the Executive branch—that is, we have first included their full requests and then applied a 10 per cent reduction in expenditures. I sincerely hope that both the Legislature and the Judiciary will attempt to apply the same critical economies we are seeking in the Executive branch.

Revenue Needs

In the past eight years, the State government has been financed by a series of fiscal maneuvers involving acceleration of revenue collections and revisions of accounting procedures which, in the aggregate, total an amazing \$1 billion. This administration is not interested in perpetuating such unsound devices for Budget balancing purposes.

I have promised repeatedly that tax increases will be required only as a last resort. But, we must put the State back on a sound financial basis. I am under a mandate to do so; for the Constitution requires that, if expenditures exceed revenues, I must recommend the sources from which additional funds should be obtained.

If we can successfully effect all the economies proposed in this Budget, it will still take between \$240 million and \$250 million in additional economies or new revenues to bring about a balanced Budget.

We thus should be guided by five basic considerations in solving the revenue problem.

First, we must recognize that California is already a high tax state, particularly in relation to the property tax levies of local governments. We must make a great effort to change this situation.

Second, we must improve our business climate by avoiding taxes which penalize business, which hamper the ability of private industry to create jobs for our rapidly growing population, and which are obstacles to the attraction of new industry into the State.

Third, we should seek out those areas in which our present tax rates are low compared with other states.

Fourth, we must find levies which can be imposed at minimum administrative cost and taxpayer inconvenience.

Finally, consideration should be given to broadening our present structure either by increasing or extending in a sensible way the sales tax to sectors now not subject to this levy.

In order to permit prompt legislative action, we plan to place before you specific proposals in those areas we consider most appropriate.

I recommend, therefore, that in considering tax matters, you turn first to those luxury items now bearing less than average

excises. These include the alcoholic beverages (distilled spirits, beer and wine) and cigarettes and other tobacco products. The present tax on each of these items, including allowance for sales tax, is substantially below the average of other states.

Further, I recommend that any possible new tax rates, such as those just mentioned or changes in the sales tax, become effective April 1st of this year. I realize this is extremely tight scheduling. But, only in this way can we start to provide the additional money necessary to meet our estimated cash outflow in the coming months of December through February, when the gap between available resources and expenditure requirements is greatest.

Of equal concern to us is the fiscal integrity of the local property tax. This is the mainstay of support for our counties, cities, school districts and other local units. California today ranks first among the states in property tax payments per capita.

Relief of this burden must be a paramount objective in the action we take on tax matters, and I shall submit to you at a later date the details of a property tax relief program. In the meantime, it is recommended that, for the purpose of property tax relief, we reserve any revenue which would be produced by an adjustment in the sales tax rate and at least a part of the funds which might be derived if there is any revision in the State income tax. In this way, it will be possible to reduce the financial burden of property owners and, indirectly, to place the support of local government on a current payment basis to a far greater extent than can be achieved under present property tax procedures.

However, taxpayers should require of all local officials the same rigid economies, the same fiscal responsibility and the same true tax relief that is being demanded at the State level. State aid must not be an excuse for local extravagance.

In closing, I reiterate that a strict economy budget is a prerequisite to all other measures designed to restore the State to a sound fiscal position. I also want to emphasize that the people have a right to be assured that no effort has been spared to reduce government costs, before they are asked to assume an additional tax burden. Let us give them that assurance. The steps already taken and the Budget I am now presenting to you are all steps toward fulfillment of that pledge.

There is no doubt that tremendous pressure will be applied by many special interest groups in an attempt to force a relaxation of economy measures. The Legislature, of course, must consider these concerns, but pressure should not overrule sound judgment. Basic soundness in the foundations of our State and local governments surpasses special interest, no matter what high-sounding phrases may disguise such interest.

Solving the State's severe fiscal woes challenges our ingenuity and statesmanship. I hope we are agreed upon the goal, but certainly I solicit your help as to the method of achieving it and solicit your thinking on economies which might be more effective than those we have suggested. I ask your help in returning the State of California to financial strength and confidence.

I am certain that, working together, we are equal to the challenge.

A handwritten signature in dark ink, reading "Ronald Reagan". The script is fluid and cursive, with the first name "Ronald" and last name "Reagan" clearly distinguishable.

Governor

Letter of Transmittal

HONORABLE RONALD REAGAN
Governor of California
State Capitol
Sacramento, California

DEAR GOVERNOR REAGAN:

In accordance with Article IV, Section 12, of the State Constitution, the summary statements and detailed schedules for the budget of the State of California for the fiscal year beginning July 1, 1967, and ending June 30, 1968, are herewith submitted.

In conformance with your announced policy of stringent economy in the expenditure of state funds and your instructions that the greatest practicable efficiency should be developed and maintained, we have initiated several specific measures.

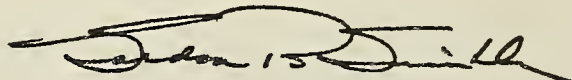
First, we have established explicit economy goals in the budgets of General Fund departments for State Operations in the form of italicized net adjustments at the beginning of each budget. Directors of special fund departments have been asked to review their programs to meet similar goals. Through these means we plan to set in motion a review by managers of their programs. All departments will prepare revised detailed programs for our review and for subsequent presentation to the Legislature. In this manner the greatest opportunity will be presented to the leaders in your Administration to develop their programs in accordance with your policy.

In the detailed budgets for Local Assistance, we have established, where practicable, the levels of program which meet your economy goals and have reflected those levels directly in the detailed figures.

In the Capital Outlay section of the budget, we have reviewed all budget requests and have deferred projects whose purpose did not appear to us to meet a rigid application of your policy.

I wish to express my sincere gratitude for the cooperation demonstrated by the department heads and their assistants and to acknowledge my appreciation for the able and dedicated work of the Budget Division in this task.

Respectfully yours,



Director of Finance

January 31, 1967

Schedule 1
GENERAL BUDGET SUMMARY ¹

General Fund

	<i>Reference to Schedule</i>	<i>Actual 1965-66</i>	<i>Estimated 1966-67</i>	<i>Estimated 1967-68</i>
INCOME—Cash Basis ²				
Existing revenue program -----	2	\$2,544,638,539	\$2,625,575,787	\$2,720,359,096
Additional revenue needs -----	—	—	—	254,259,285 ⁵
Total Income—Cash Basis -----	—	\$2,544,638,539	\$2,625,575,787	\$2,974,618,381
EXPENDITURES ³				
Support -----	3	\$923,312,164	\$1,056,998,815	\$986,410,602
Local assistance -----	3	1,632,899,252	1,899,139,005	1,994,150,276
Capital outlay -----	1 *	23,407,281	42,808,209	6,474,683
Total Expenditures -----	—	\$2,579,618,697	\$2,998,946,029	\$2,987,035,561
CURRENT DEFICIENCY—Cash Basis -----	—	-\$34,980,158	-\$373,370,242	-\$12,417,180
Net adjustment for accrued revenue -----	2A	—	344,182,330	12,417,180
Proposed legislation -----	—	—	-100,000,000 ⁴	—
CURRENT DEFICIENCY AFTER ACCRUAL -----	—	-\$34,980,158	-\$129,187,912	—
PRIOR YEAR RESOURCES AVAILABLE ---	4	\$203,968,545	\$171,962,014	\$42,774,102
Prior year surplus adjustments -----	—	2,973,627	—	—
ENDING RESOURCES -----		\$171,962,014	\$42,774,102	\$42,774,102
Reserves -----	4	52,649,273	11,335,430	11,727,619
Free surplus -----	4	119,312,741	31,438,672	31,046,483

Special Funds

INCOME—Cash Basis ²				
Existing revenue program -----	2	\$1,051,333,648	\$1,087,973,706	\$1,170,892,700
EXPENDITURE ³				
Support -----	3	\$235,445,937	\$282,314,910	\$286,226,488
Local assistance -----	3	468,049,063	480,998,120	495,953,231
Capital outlay -----	1 *	353,243,940	488,552,677	336,163,343
Total Expenditures -----		\$1,056,738,940	\$1,251,865,707	\$1,118,343,062
CURRENT DEFICIENCY—Cash Basis -----	—	-\$5,405,292	-\$163,892,001	\$52,549,638
Accrued revenue—Highway Fund -----	4	—	62,560,000	3,200,000
Net adjustment for accrued revenue -----	4A	—	38,887,358	2,136,000
CURRENT DEFICIENCY AFTER ACCRUAL -----	—	-\$5,405,292	-\$62,444,643	\$57,885,638
PRIOR YEAR RESOURCES AVAILABLE ---	—	\$320,512,018	\$306,934,813	\$244,490,170
Prior year surplus adjustment -----	—	-8,171,913	—	—
ENDING RESOURCES -----		\$306,934,813	\$244,490,170	\$302,375,808
Reserves -----	4	32,987,620	26,104,664	28,749,094
Free surplus -----	—	273,947,193	218,385,506	273,626,714

¹ The General Budget Summary includes the revenues and expenditures of all state funds and activities that reflect the cost of state government. The transactions involving bond funds, federal funds and other funds are excluded.

² Income for the General Fund includes revenues which were originally deposited in a special fund and subsequently transferred to the General Fund, and transfers of surplus from special funds. Such amounts are reduced from special fund revenues.

³ Outgo from the General Fund includes amounts transferred to special funds and expenditures from special funds are reduced by a like amount.

⁴ Legislation is proposed to delete accrual of personal income tax on current year's income as now provided in Section 19355 of the Revenue and Taxation Code.

⁵ Refer to Governor's message for recommended areas of any additional revenue requirements.

* See Capital Outlay Budget.

Schedule 1-A
GENERAL FUND SURPLUS AVAILABLE FOR APPROPRIATION
JUNE 30, 1967

RECONCILIATION OF THE CHANGES FROM THE PREVIOUS BUDGET ESTIMATES

1966-66 Fiscal Year	1966-67 Governor's Budget Previous Estimate	1967-68 Governor's Budget Revised Estimate	Adjustment of Surplus
Income (Revenue and transfers)	\$2,547,783,605	\$2,544,638,539	-\$3,145,066
Outgo (Expenditures and transfers)			
Support	\$941,073,689	\$923,312,164	\$17,761,525
Local assistance	1,674,995,162	1,632,899,252	42,095,910
Capital outlay	48,063,334	23,407,281	24,656,053
Subtotal Expenditures and Transfers	\$2,664,132,185	\$2,579,618,697	\$84,513,488
 1966-67 Fiscal Year			
Prior year surplus adjustments		\$2,973,627	\$2,973,627
Income (Revenue and transfers)			
Existing law	\$2,635,014,612	\$2,625,575,787	-\$9,438,825
Tax program	143,000,000	— ^a	- 143,000,000
Adjust revenue from cash to accrual accounting basis	268,254,000	362,486,642	94,232,642
Proposed legislation		- ^b 100,000,000	- 100,000,000
Less: Reserves for cash liquidity	- 132,875,987		132,875,987
Subtotal Revenue and Transfers	\$2,913,392,625	\$2,888,062,429	-\$25,330,196
Outgo (Expenditures and transfers)			
Support	\$1,076,868,295	\$1,056,998,815	\$19,869,480
Local assistance	1,838,950,872	1,899,139,005	- 60,188,133
Capital outlay	36,331,731	42,808,209	- 6,476,478
Adjust interest expense from cash to accrual accounting basis	20,877,482	18,304,312	2,573,170
Reserves	12,500,531	11,335,430	1,165,101
Subtotal Expenditures and Transfers	\$2,985,528,911	\$3,028,585,771	-\$43,056,860
EFFECT OF REVISED ESTIMATES AS REPORTED IN THE 1967-68 BUDGET			\$15,954,993
GENERAL FUND SURPLUS AVAILABLE FOR APPROPRIATION, June 30, 1967, as estimated in the 1966-67 Budget			15,483,679
GENERAL FUND SURPLUS AVAILABLE FOR APPROPRIATION, June 30, 1967, as estimated in the 1967-68 Budget			\$31,438,672

^a The tax program presented to the Legislature at the 1966 session to provide for new personal income taxes amounting to \$143,000,000 was not approved.

^b Legislation is proposed to delete accrual of personal income tax on current year's income as now provided in Section 19355 of the Revenue and Taxation Code.

Schedule 1-B
GENERAL FUND
STATEMENT OF FINANCIAL CONDITION ^a
JUNE 30, 1966

ASSETS		LIABILITIES	
Cash:		Accounts Payable	
In State Treasury.....	\$174,799,908	State operations.....	\$52,277,237
In Agency Accounts.....	18,191,670	Capital outlay.....	11,401,290
		Local assistance.....	70,885,849
			<u>\$134,564,376</u>
Accounts Receivable—Current		Due to other funds.....	
Equity in feeder funds.....	\$34,938,306	Prepayments from other funds.....	3,528,591
Due from other funds.....	11,014,717	Other liabilities.....	4,063,828
Abatements and reimbursements.....	38,313,463		5,651,355
Other current accounts receivable.....	6,974,660		
		Total Liabilities.....	\$147,808,150
Accounts Receivable—Deferred		RESERVES	
Revenues.....	\$10,083,355	Uncleared collections.....	\$1,897,592
Due from other funds.....	5,215,163	Unencumbered balance of continuing appropriations.....	52,649,273
Due from local governments.....	5,215,609		
Interfund building loans.....	25,542,169	Total Reserves.....	\$54,546,865
Other deferred accounts receivable.....	8,560,632		
Unreimbursed debt service on school building bonds.....	299,872,169		
		SURPLUS	
Total.....	\$354,489,097	Restricted Surplus:	
		For capital outlay purposes.....	\$25,000,000
		Unrestricted surplus.....	94,312,741
		Total surplus available for appropriation.....	\$119,312,741
		TOTAL LIABILITIES, RESERVES AND SURPLUS.....	\$321,667,756
		State's Investment in Capital Assets.....	\$1,210,600,459
		General Obligation Bonds.....	\$3,819,047,000
		Less: Self-Liquidating Bonds.....	—1,775,122,000
		Net General Bonded Debt.....	\$2,043,925,000
		Interest payable in future years.....	800,624,007
		Net total long-term obligations.....	\$2,844,549,007

^a The data reported in this statement is reported in the State Controllers' report for the fiscal year July 1, 1965 to June 30, 1966.

Revenue Estimates

State revenue from existing sources during the 1967-68 fiscal year is expected to total \$3,886,518,933 on a cash basis and \$3,907,384,933 when reported under accrual accounting. The accounting of revenues on the accrued basis for 1967-68 precludes comparisons between that year and prior years. Similarly, year-end adjustments distort any comparison between accrued revenues for 1966-67 and other years. Consequently, in this presentation and in Schedule 2, revenues for all three years are presented on a cash basis for comparative purposes. A discussion of the accrual system is presented in subsequent paragraphs.

Estimated cash receipts for 1967-68 represent an increase of \$172,969,000 * over the revised estimates for the current period and \$305,824,000 more than were received in the 12 months ending June 30, 1966. Procedural changes and revisions in tax law, other than the adoption of accrual accounting, have changed the normal revenue flow in the three years shown in this budget. These changes are reflected in the revenue estimates and tend to obscure the usual relationships between business conditions and revenue receipts, particularly in the case of the sales, bank and corporation and motor vehicle taxes.

Most of the anticipated increase in revenues will be the result of higher levels of economic activity expected in California during the budget period. Salient features of the economic factors underlying the revenue projections are a gross national product (GNP) of \$785 billion in 1967, aggregate personal income for the nation of \$623.5 billion and personal income for Californians of \$70.3 billion. These compare to a total GNP of \$739.5 billion last year, income of \$580.4 billion for the nation and \$65.3 billion for California.

Revenue for the General Fund during the budget year is expected to reach \$2,710,359,000, or \$90,271,000 over the current year and \$201,844,000 more than was received in 1965-66. Adjustment for changes in collection procedures and revisions in General Fund tax laws indicate a more typical annual growth of \$166,000,000 in 1966-67 and \$132,000,000 in 1967-68. These adjustments include: (1) the effect upon the sales tax of accelerating payments, the extension of this tax to leasing operations and certain sales between individuals; (2) the prepayment program under the bank and corporation tax; and (3) the shift in oil royalties from the General Fund to the Capital Outlay Fund for Public Higher Education.

Receipts for the special funds are estimated to total \$1,176,160,000 for the budget year, \$82,698,000 over the current year, and \$103,979,000 higher than collections in 1965-66. These totals have also been affected by the changes in tax laws, particularly the increases in motor taxes which swelled receipts in 1965-66, and the shift in oil revenues mentioned above.

Comparative revenue for the General Fund and special funds for fiscal 1966, the current year and the budget period are shown in Table 1.

* This and subsequent dollar amounts have been rounded. Totals and differences have been computed from whole numbers and then rounded. Percentage changes have also been computed from unrounded figures.

Table 1
COMPARATIVE REVENUE
(In millions)

Taxes, fees, etc.	1965-66 actual	1966-67 esti- mated	1967-68 esti- mated	1967-68 percent of total
General Fund:				
Sales and use	\$1,096.2	\$1,078.0	\$1,131.0	29.1
Personal income	454.6	508.7	551.7	14.2
Bank and corporation ..	435.6	476.5	454.0	11.7
Inheritance and gift....	123.8	124.5	135.0	3.5
Insurance	100.9	107.9	115.3	2.9
Alcoholic beverage	72.8	77.7	81.8	2.1
Cigarette	74.6	75.6	77.0	2.0
Horse racing	38.4	40.0	45.0	1.2
Other sources	111.8	131.2	119.6	3.1
Totals, General Fund..	\$2,508.5	\$2,620.1	\$2,710.4	69.8
Special Funds:				
Motor Vehicles:				
Fuels	551.1	551.4	574.2	14.8
Registration, weight, etc.	195.4	211.5	234.3	6.0
License (in lieu tax)....	187.3	193.0	203.0	5.2
Transportation	17.4	18.5	19.7	0.5
Alcoholic beverage	11.4	11.7	12.1	0.3
Horse racing	9.1	9.6	8.8	0.2
Other	100.6	97.7	124.1	3.2
Totals, Special Funds ..	\$1,072.2	\$1,093.5	\$1,176.2	30.2
Grand Totals	\$3,580.7	\$3,713.5	\$3,886.5	100.0

Revised Estimates

Revenue estimates for 1966-67 as shown in last year's budget totaled \$3,866,666,000. Of this amount, \$3,723,666,000 was expected from existing tax sources and \$143,000,000 from recommended changes in the personal income tax law. The major income tax proposal was not enacted, but changes which aggregated \$5,350,000 were made in several of the tax laws. Adjustment of the budget forecast for these changes shows a total of \$3,729,316,000, which compares favorably with the current estimate of \$3,713,549,000—a difference of \$15.8 million, or less than one half of one percent.

Last year's forecast of General Fund receipts, as adjusted, was \$2,601,509,000, or less than one percent under the currently estimated total. It should be noted that a part of the increase in revenue for the current year was recognized as early as last May when a revised estimate was prepared and presented to the Legislature. This total, adjusted for subsequent tax law changes, was \$2,617,300,000, or \$2.8 million less than is shown for the 1966-67 fiscal year in the accompanying budget schedules.

Special fund receipts as forecast last year were \$34.3 million above the currently estimated total, with the differences attributable largely to motor vehicle taxes and oil and mineral royalties.

Taxes on personal income and bank and corporation profits were underestimated, because the basic assumption on income and corporate earnings proved to be low. The levies based on consumption, such as the sales, motor vehicle fuel and cigarette taxes, were overestimated, indicating that although incomes were higher, people spent less on those commodities than had been anticipated.

A summary of the original forecasts, adjusted for legislation, and the estimates shown in this budget are given in Table 2.

Table 2

COMPARISON OF ORIGINAL AND REVISED
ESTIMATES OF STATE REVENUE 1966-67
(In millions)

<i>Taxes, fees, etc.</i>	<i>Original *</i>	<i>Revised</i>	<i>Changes</i>	
			<i>Amount</i>	<i>Percent</i>
Alcoholic beverage -----	\$89.4	\$89.4	-	-
Bank and corporation -----	458.0	476.5	\$18.5	4.0
Cigarette -----	77.2	75.6	-1.6	-2.1
Horse racing -----	50.5	49.7	-0.9	-1.7
Inheritance and gift -----	132.0	124.5	-7.5	-5.7
Insurance -----	111.9	107.9	-4.0	-3.6
Motor vehicle:				
Fuel -----	558.2	551.4	-6.7	-1.2
License (in lien) -----	198.0	193.0	-5.0	-2.5
Registration, weight -----	218.0	211.5	-6.5	-3.0
Transportation -----	17.6	18.5	0.9	5.1
Personal income -----	488.0	508.7	20.7	4.2
Private car -----	2.4	2.5	0.1	4.5
Sales and use -----	1,101.2	1,078.0	-23.2	-2.1
Total Taxes -----	\$3,502.3	\$3,487.2	-\$15.2	-0.4
Other revenue -----	227.0	226.4	-0.6	-0.3
Total Revenue -----	\$3,729.3	\$3,713.5	-\$15.8	-0.4
<i>General Fund</i> -----	2,601.5	2,620.1	18.6	0.7
<i>Special funds</i> -----	1,127.8	1,093.5	-34.3	-3.0

* Original estimate corrected for differences between proposed tax program and the tax adjustments enacted.

Revenue Accruals

In accordance with legislation approved last year, the state will shift to a revenue accrual plan on June 30, 1967. As of that date, lump sum adjustments will be made to reflect revenue earned by the state but not yet received. Generally, these will represent amounts due the state for transactions completed prior to June 30, 1967, but where tax returns are filed after that date, together with accounts receivable as of June 30, adjusted where necessary by allowances for estimated uncollectible items. Following the year-end adjustments, revenues will be reported in future years on the accrual basis.

In the aggregate, the June 30 adjustments are estimated at \$463,934,000, of which \$360,412,000 will accrue to the General Fund and \$103,522,000 to special funds. For 1967-68 the reporting on an accrual basis is expected to increase revenue over the amount which would have been reported on the cash basis by \$20,866,000. The detail of revenues reported on the accrual basis is shown in Schedule 2A. This, in combination with Schedule 2, will permit comparisons of revenue on both the cash basis and the new accrual basis for each source.

Economic Conditions

The revenue estimates presented in this budget are predicated upon a moderate expansion in business activity in both the nation and the state, stimulated in large part by escalation of the Vietnam war. In the event peace efforts are successful in the near future, a reappraisal of the economic outlook and revision of these forecasts will be necessary.

In broad economic terms, the pattern assumed for 1967 involves a gross national product of \$785 billion, an increase of \$45.5 billion (6.2%) over last year. This is approximately three-fourths of the expansion which took place last year. Defense expenditures will

provide the principal impetus behind the economic advance. Business investment, which was a strong stimulus to the economy in 1966, is expected to give much less new strength in the current period.

Aggregate personal income is forecast at \$623.5 billion, or \$43.1 billion (7.4%) above the total indicated for 1966. The larger relative gain in income than in gross product is attributable chiefly to increases in wage rates, social security benefits and interest income.

The estimates of both GNP and personal income allow for the President's recommendations of January 10th regarding national defense, higher taxes on individual incomes and corporate profits, a substantial increase in social security benefits, relaxation of monetary controls in the field of residential construction, and, in general, expansion of governmental activities for social welfare, crime control and other problem areas.

With military operations demanding a large and increasing share of the nation's output this year, and with the prospect of an upturn in residential building after midyear, it is unlikely that a reversal of the prosperity trend will occur in 1967. The slower growth rates of recent months are in keeping with the general pattern anticipated for this year. If later data indicate a drift toward recession, however, it is probable that the recommended federal surtax will not be adopted and further action will be taken to relax monetary restraints and stimulate the economy.

Employment is expected to rise by approximately one million, but this will not be sufficient to absorb all new entrants into the labor force. This implies a rise in the unemployment rate from last year's 3.9 percent. Wage rates are expected to increase slightly more than the relative gain in productivity; consequently some further price rise is probable, but the degree should be less than last year.

Major Factors

Principal determinant of the economic pattern this year will be the Vietnam war. Including the proposed \$9.6 billion in supplementary expenditures for national security to be considered by Congress early this year, outlays during the current calendar year are estimated to reach \$72 billion, up approximately \$12 billion (20%) over last year. Most of this expenditure will have a direct impact upon the national economy, and much of it will center upon California, since this state accounts for approximately one-fifth of the prime contracts awarded by the Defense Department.

A moderate increase in the nondefense sector of federal expenditures is expected in light of pay scales adopted last year and the program expansions implied in the January 10th recommendations. In total, purchases of goods and services by governments—federal, state, and local—for purposes other than defense are estimated at \$100 billion, an increase of 7.3 percent over 1966.

Business investment in plant and equipment will increase less in 1967 than in 1966, according to several surveys. There have been substantial additions to plant capacity as a result of record investments in recent years. This, coupled with the temporary elimination of the investment credit, and tight money will

be reflected in a lower rate of business expansion. Residential construction should be stimulated by the announced release of additional loan funds at reduced interest rates. However, this industry started the year at an extremely depressed level, and it is unlikely that home building will reach the 1966 volume, measured in either units or value. Including business inventory accumulation, private investment in 1967 is estimated at \$115 billion, compared with an indicated \$116.5 last year.

With more people working at somewhat higher wage and salary rates, consumer expenditures should rise moderately. Personal expenditures will also be bolstered indirectly by the graduated federal income tax withholding schedules adopted last year. This will reduce the impact of final tax settlements in April and in many instances will lead to substantial refunds. However, enactment of the temporary 6 percent proposed federal surtax would reduce the flow of disposable income after midyear and throughout 1968.

Price increases are likely to continue, due chiefly to cost factors rather than excess demand for goods and services. It seems unlikely that the wage-productivity guidelines which were repeatedly broken last year can be successfully reimposed. Because consumers have recently shown considerable resistance to higher price tags, the squeeze between factor costs and sales prices is likely to dampen business profits this year.

A tabulation of principal economic factors underlying the revenue projections is given in Table 3.

California Outlook

Resurgence of activity in the aerospace industries, especially in civilian aircraft production, coupled with a further build-up of operations related to the Vietnam war should assure for this state an increasing share of the national economy. By the end of 1966 aerospace employment stood at 570,000, an increase of 62,300 over the comparable figure for the previous year. Sustained growth trends in other manufacturing industries, together with rising employment in services, government and trade, are expected to carry civilian employment to a 7,425,000 average this year, an increase of 247,000 (3.4%) over 1966. This compares with a gain of 351,000 last year.

Residential construction, which has been weak since 1964, quite probably will turn up in 1967, since current building operations are not adequate to meet population growth and the surplus of housing units accumulated earlier is being reduced gradually. The announced increase in funds for home building and the moderate reduction in interest rates, together with reinstatement of tax concessions on apartment units next year, could lead to a substantial improvement in this important sector of the state's economy. A strong upswing is anticipated for 1968.

California agriculture, in general, has not been under the restrictions imposed on farmers of the midwest. For this reason, it will not profit to the same degree by the reduction in surplus and relaxation of acreage limitations. However, another reasonably satisfactory year is in prospect, with a further rise in gross marketings, if not net profits.

Personal income of California residents during the current year is expected to reach \$70.3 billion, an in-

crease of 7.6 percent over 1966. The largest relative gain—15.5 percent—is forecast in transfer payments, primarily as a result of increases in social security benefits. At a projected \$47.6 billion, wage and salary receipts are expected to increase by 7 percent due to the combination of increased employment and higher pay scales. Property income—interest, dividends and rents—is estimated at \$10.3 billion, up 7.5 percent from last year's level.

Table 3
ECONOMIC DATA
(Dollar amounts in billions)

	1965 actual	1966 preliminary	1967 estimated	1967 percent change
National Data				
Gross national product	\$681.2	\$739.5	\$785.0	6.2
Consumer expenditures	431.5	465.0	493.0	6.0
Durable goods	66.1	69.4	70.0	0.9
Nondurables	190.6	206.1	219.0	6.3
Services	174.8	189.5	204.0	7.7
Private investment	106.6	116.5	115.0	-1.3
Fixed investment	97.5	105.1	108.5	3.2
Residential	27.8	25.8	23.5	-0.9
Other	24.9	27.9	30.0	7.5
Producers' durable equipment	44.8	51.4	55.0	7.0
Change in inventories	9.1	11.4	6.5	-43.0
Net exports	7.0	4.9	5.0	2.0
Government purchases	136.2	153.1	172.0	12.3
Federal	66.8	77.0	90.0	16.9
Defense	50.1	60.0	72.0	20.0
Other	16.7	17.0	18.0	5.9
State and local	69.4	76.2	82.0	7.6
Personal income	535.1	580.4	623.5	7.4
Less personal taxes:				
Federal	54.2	61.9	70.6	14.1
State and local	11.8	13.2	14.8	12.1
Disposable income	469.1	505.3	537.6	6.4
Savings	25.7	26.9	30.1	11.9
Corporate profits before taxes	74.2	79.8	77.5	-2.9
Consumer price index	109.9	113.1	116.5	3.0
Wholesale price index	102.5	105.8	108.6	2.6
Index of industrial production	143.3	155.9	163.0	4.6
Civilian labor force (000)	75,635	77,041	78,300	1.6
Employed (000)	72,179	74,065	75,100	1.4
California Data				
Personal income	\$59.96	\$65.33	\$70.30	7.6
Wages and salaries	40.28	44.47	47.60	7.0
Other labor income	1.92	2.25	2.53	11.2
Proprietors' income	5.91	6.06	6.30	4.0
Property income	8.72	9.58	10.30	7.5
Transfer payments	4.85	5.28	6.10	15.5
Less: Personal contributions for social insurance	1.72	2.31	2.53	9.5
Personal taxes:				
Federal income tax	5.96	7.16	7.82	9.1
State income tax	.42	.46	.51	10.9
Disposable income ^a	53.58	57.71	62.00	7.4
Taxable corporate profits	6.18	6.63	6.80	2.6
Civilian labor force (000)	7,256	7,551	7,800	3.3
Employed (000)	6,827	7,178	7,425	3.4
Number of housing starts (000)	170	90	91	1.1
New car sales (000)	881	850	830	-2.4
Taxable sales	\$31.91	\$34.40	\$36.20	5.2
Consumer price index ^b	112.8	115.3	118.2	2.5

^a Disposable income of California residents represents personal income less federal and state personal income taxes. Other personal tax and nontax payments have not been deducted.

^b Index for California is computed by the California Department of Industrial Relations, Division of Labor Statistics and Research.

Source: National data for 1965 and 1966 from reports of the U.S. Department of Commerce; estimates of national data for 1967, estimates of California personal income, personal taxes, disposable income, etc., are based upon studies by the Financial and Population Research Section, Budget Division, California Department of Finance.

It is unlikely that higher incomes will be reflected fully in taxable retail sales, however. Sales volume will be restrained by the decline in residential construction at the year's outset, the resulting dull market for appliances and home furnishings, prospects of a reduction in car purchases and the possibility of a federal tax increase after midyear. While taxable sales are expected to move up to \$36.2 billion, compared with \$34.4 last year, the projected rise is considerably less than might be expected on the basis of income alone.

Corporate income from California operations last year totaled approximately \$6.63 billion, according to a sample survey conducted for revenue forecasting purposes. This represented an increase of 7.4 percent over the reported level for 1965. In contrast with the declining profit volume projected for the nation, it has been estimated that aggregate profits from California operations will increase slightly this year. This is based upon the anticipated increase in activity resulting from Vietnam, continued high levels of production in aircraft and aerospace industries and the underlying growth trend in California's economy.

Additional details on these and other basic state economic factors used in preparing the revenue forecasts are given in Table 3.

GENERAL FUND REVENUE

Almost seven-tenths of aggregate state revenue is deposited in the General Fund. This includes collections from such levies as those on sales of tangible personal property, personal income, corporate profits, and insurance premiums. For the most part, these taxes are geared directly to business conditions. Hence, the estimates of revenue from each source flow directly from the economic assumptions explained above. The influence of these economic factors upon the various tax bases and the methods used in preparing the budget revenue estimates are outlined below.

Sales Tax—\$1,131,000,000

A three percent tax is imposed upon the sale or use of tangible personal property for final consumption, whether by persons or by business establishments. In addition, cities and counties levy a one percent tax which is collected by the state and returned to these agencies. The latter, however, is not state revenue.

Growth rates of the different types of taxable transactions during 1967 will vary in accordance with the divergent trends indicated in the discussion of the economic outlook. California sales by department, apparel, food and drink, and specialty stores—which, for the most part, handle consumer nondurable goods—are expected to increase by 7.2 percent, somewhat above the 6.3 percent gain anticipated nationally. Sales of durable goods—motor vehicles, household furnishings and appliances—are expected to rise by only 1.4 percent over 1966 as a result of a decline in new car sales and a continuation of the poor housing market. This modest rise compares with a forecast of less than one percent improvement in sales of durable goods for the nation as a whole.

Sales of building materials in California are estimated to increase by 2.2 percent, largely as the re-

sult of higher prices. Taxable transactions by manufacturers, wholesalers and miscellaneous outlets are expected to advance by 6.8 percent.

On this basis, taxable sales during 1967 are expected to total \$36.2 billion, a rise of only 5.2 percent. Sales in 1968 are estimated at \$38.5 billion (up 6.4%), reflecting anticipated improvement in residential construction throughout the year and an increase in new car sales—the first in three years. Only sales during the first half of 1968 will influence revenue during the 1967–68 fiscal year.

Because of the importance of the sales tax in California's revenue system, a more detailed description of the forecasting techniques is presented. Three different methods were used. One was based upon an analysis of per capita consumption in more than 40 types of business. The second method involved the classifying of taxable sales into 14 homogeneous groups and relating taxable sales in each group to a specific economic factor, such as disposable income, new vehicle registrations, or employment. A regression equation was computed for each group and the estimate of taxable sales was derived by the use of the appropriate variable in the formula. The third method involved the use of a multiple regression equation relating aggregate taxable sales to three independent variables—disposable income of California residents, fixed investment in the nation and a trend factor.

The income concept used in the third method is the sum of wages and salaries, proprietors' income, dividends, monetary interest and monetary rents, less contributions for social insurance. Four components of income are omitted: other labor income, composed primarily of employer contributions to private welfare funds; imputed interest and imputed rents, which are not cash income and do not account for any taxable sales; and transfer payments, which contribute little to taxable sales.

The forecasts of taxable sales in 1967 and 1968 are shown below.

Table 4
TAXABLE SALES IN CALIFORNIA
(In millions)

Group	1966	1967	Percent change over		Percent change over
			1966	1968	1967
Nondurable goods ----	\$14,240	\$15,270	7.2	\$16,235	6.3
Durable goods -----	7,170	7,270	1.4	7,710	6.1
Building materials ----	3,580	3,660	2.2	3,950	7.9
Manufacturing and wholesaling -----	8,210	8,770	6.8	9,360	6.7
Business and personal services -----	1,200	1,230	2.5	1,245	1.2
Totals -----	\$34,400	\$36,200	5.2	\$38,500	6.4

Including receipts attributable to audit operations of the Board of Equalization, the sales and use tax is estimated to yield \$1,131,000,000 in 1967–68 and \$1,078,000,000 during 1966–67. This compares with \$1,096,162,000 for 1965–66. However, it must be emphasized that collections during 1965–66 were inflated by a one time pickup of approximately \$100 million as a result of legislation enacted during 1965, which accelerated remittances from taxpayers with sales of more than \$17,000 per month.

Personal Income Tax—\$551,700,000

Income tax receipts during the current and budget years will be determined largely by the amount of personal income earned in 1966 and 1967. Almost 90 percent of the income tax is attributable to wages and salaries, proprietorship profits and net receipts from ownership of property. The remainder is generated by capital gains and miscellaneous sources. This year for the first time, net capital gains were estimated from a regression equation developed by the United States Treasury Department. It is predicated on the fact that more than half of all capital gains are derived from the sale of stock, and utilizes four variables describing stock market activity. The estimate of tax to be received from miscellaneous income—primarily annuities, alimony and income from the sale of noncapital assets—was based on past trends.

The various types of income are distributed differently among income brackets, and thus are subject to different average tax rates. Nearly 90 percent of the tax attributable to wages and salaries and 68 percent of the tax on proprietorship income are paid by persons with incomes under \$50,000. This group, however, accounts for only 46 percent of the tax on property income (interest, dividends and rent) and 28 percent of the tax from capital gains. These variations are illustrated in the following table:

Table 5
PERCENT OF TAX FROM EACH INCOME SOURCE
BY CUMULATIVE INCOME CLASS
(In percent)

Adjusted gross income	Source of Income			
	Wages and salaries	Pro- prietors' income	Property income	Capital gains
Under \$10,000	26.6	4.3	5.5	1.6
Under 15,000	54.3	10.6	11.2	4.1
Under 25,000	75.7	27.2	22.6	11.1
Under 50,000	89.2	67.9	46.0	28.1
Under 100,000	96.0	91.3	69.0	46.4
Under 300,000	99.1	98.6	88.9	70.7
All income	100.0	100.0	100.0	100.0

Because of these differences, regression equations relating the tax derived from each source to the income from that source were computed and used to estimate tax liability for 1966 and 1967.

These computations, after allowing for the Franchise Tax Board's audit activities, resulted in revenue estimates of \$551,700,000 for 1967-68 and \$508,700,000 for the current fiscal year. These compare with actual receipts of \$454,625,000 in 1965-66.

Bank and Corporation Tax—\$454,000,000

Corporate income attributable to California operations during 1966 and 1967 is the principal determinant of receipts from the bank and corporation tax in the current and budget years. The general tax rate is 5.5 percent, but banks, savings and loan associations, and other financial corporations are subject to an additional tax not to exceed 4 percent. The differential rate is levied in lieu of local taxes on personal property of banks. An offset is provided for personal property taxes paid by financial corporations other than banks.

Taxable profits in 1966 are estimated at \$6,630,000,000—7.4 percent above the 1965 level. This estimate is based on the response to a questionnaire sent

to a stratified sample of 1,000 corporations. The combined income of the respondents (87 percent of those sampled) comprises nearly 60 percent of all taxable corporate profits. A summary of estimated income by major industry for 1965 and 1966 is shown below:

Table 6
TAXABLE CORPORATE INCOME IN CALIFORNIA
(In millions)

Industry	1965	1966	Percent change
Agriculture	\$58	\$60	3.4
Mining and oil	252	309	22.6
Construction	215	191	-11.2
Manufacturing	2,381	2,557	7.4
Trade	1,025	1,093	6.6
Service	338	372	10.1
Financials subject to bank tax	476	476	—
Real estate and other financials	424	443	4.5
Utilities	1,003	1,126	12.3
Other	3	3	—
Total	\$6,175	\$6,630	7.4

The estimate for 1967 was made by projecting income for each of the major industry groups on the basis of the outlook for the California economy and the historical relationship of changes in United States corporate profits to changes in California corporate income. In general, taxable corporate income in this state varies less from year to year than corporate profits nationally. Consistent with this experience, California corporate income in 1967 is projected at \$6.8 billion, 2.6 percent above the 1966 level, while profits nationally are expected to fall by 2.9 percent. Among the reasons for the difference in growth patterns are California's less-than-average share of volatile manufacturing industries, such as primary metals and automobiles, and its greater-than-average share of services and utilities which have more stable growth rates. Of special importance for 1967, in view of expanding Vietnam operations, is the fact that nearly one-fifth of military prime contracts are awarded to California firms.

Under legislation enacted in 1963, a declaration of estimated tax is due 5 months and 15 days after the beginning of a corporation's fiscal year. The prepayment is offset against tax liability when a final return is filed. In the first year, 1965, corporations were required to pay 20 percent of the estimated tax liability with the declaration. In June 1966, the payment increased to 35 percent and beginning in June 1967, half of the estimated tax must be paid. This legislation, which brought corporate tax more current with corporate earnings, increased revenue in 1965-66 by \$52,600,000, and is expected to result in an additional \$54,700,000 in 1966-67, and \$20,100,000 in 1967-68.

Including collections from the audit program, receipts from this tax are expected to total \$454,000,000 for 1967-68, and \$476,500,000 in 1966-67, compared to actual collections of \$435,597,000 in 1965-66. The decline between the current fiscal year and 1967-68 is due entirely to the fact that in the latter year most corporations will no longer be required to further accelerate their tax payments.

Inheritance and Gift Taxes—\$135,000,000

Revenue from the inheritance and gift taxes is dependent primarily upon the number and size of be-

quests and upon the relationship of the recipient to the decedent or donor. In general, the amount of such transfers is related to population, personal income, property values and the pattern of business conditions. However, variables such as extent of estate planning and the unpredictable number of particularly large estates and gifts make accurate forecasting of these receipts difficult.

Inheritance tax collections have been estimated at \$125,000,000 for the budget year and at \$115,000,000 in 1966-67. Actual receipts in 1965-66 amounted to \$113,826,000. Gift tax collections are estimated at \$10,000,000, compared to a current year estimate of \$9,500,000. The 1965-66 actual of \$9,955,000 was unusually high because one large gift resulted in a tax of almost one million dollars.

Insurance Tax—\$115,300,000

The tax on insurance companies is based upon the amount of insurance premiums written in California, less dividends paid to policyholders, and is in lieu of all other state and local taxes except those on real estate and motor vehicles. In general, the tax is imposed at a 2.35 percent rate. However, during the period of transition from an annual to a quarterly collection basis (1964 through 1967) the rate was reduced to 2.33 percent. Ocean marine insurance and certain types of life insurance and annuities are subject to different rates.

In the past, insurers were permitted to deduct from their insurance tax liabilities, the entire amount of local property tax paid on their principal offices in California. Last year this provision reduced insurance tax payments by more than \$6 million. This provision was revised with the passage of ballot proposition number 8 in the November election. Under the new law, a foreign insurer (one not based in California) may deduct only the prorated share of property tax paid upon that portion of the principal California office actually occupied by the insurer. A California insurer may continue to deduct the entire tax on principal office structures now occupied or on which construction is started before January 1, 1970. It is estimated that this law change will bring in \$800,000 of additional state revenue annually.

Estimates of premiums written during 1966 and 1967 were based on the replies to a questionnaire sent to a sample of 73 insurers who account for two-thirds of all taxable insurance in the state. These companies were requested to estimate changes in the volume of premiums written for major lines of insurance in 1966 and 1967. The estimated amount of premiums written in 1968 was based on past trends. After allowing for dividends paid to policyholders and the principal office deduction, the insurance tax is estimated to yield \$115,300,000 in 1967-68, compared with \$107,900,000 for the current year and actual receipts of \$100,854,000 in 1965-66.

Alcoholic Beverages—\$93,810,000

State tax revenues from alcoholic beverages are of two types: (1) excises on distributions of distilled spirits, beer and wine, and (2) fees collected from both the sale and renewal of licenses required for

manufacturers, distributors, and retailers of alcoholic beverages. Excise tax rates are shown in Table 12.

Tax yields from consumption of alcoholic beverages are estimated by applying the specified rates to total consumption of various beverages. Gallonage estimates for the next two years were based upon past trends in consumption per adult and correlations with absolute and relative changes in personal income.

Consumption of distilled spirits rose from 3.37 gallons per adult in 1965 to 3.46 gallons in 1966. Consumption in 1967 is expected to increase at about the same rate, reaching a level of 3.52 gallons per adult. Beer consumption last year rose to 26.1 gallons, resuming an upward trend which was interrupted in 1965. Per capita consumption for 1967 and 1968 is estimated at 26.7 and 27.2 gallons, respectively. The estimate of dry and sparkling wine consumptions continues the pattern of growth for the past 6 years, while that for sweet wine continues to decline.

Total distributions of alcoholic beverages by type are shown below:

	Millions of Gallons			
	1965	1966	1967	1968
Distilled spirits--	37.3	39.1	41.9	44.5
Beer -----	282.3	301.0	317.3	333.3
Sweet wine -----	16.4	15.6	15.6	15.7
Dry wine -----	23.1	24.0	25.8	26.6
Sparkling wine --	1.7	1.9	2.2	2.5

Application of the tax rates and conversion of calendar year to fiscal year receipts yields the following estimates:

Table 7
ALCOHOLIC BEVERAGE TAXES AND FEES
(In thousands)

Excise taxes	1965-66	1966-67	1967-68
Distilled spirits -----	\$56,718	\$60,800	\$64,100
Beer -----		12,280	12,930
Sweet wine -----	12,606 *	320	310
Dry wine -----		250	260
Sparkling wine -----		600	670
Totals, Excise Taxes -----	\$69,324	\$74,250	\$78,270
Liquor license fees -----	14,878	15,190	15,540
Totals, Taxes and Fees -----	\$84,202	\$89,440	\$93,810
General Fund -----	72,774	77,695	81,750
Alcohol Beverage Control Fund -----	11,428	11,745	12,060

* Cannot be separated due to credits and other adjustments.

Revenue from liquor license fees is divided between the General Fund and the Alcohol Beverage Control Fund. The General Fund receives all fees for new licenses, service charges and special fees used to enforce fair trade regulations. In addition, 10 percent of all other fees (primarily annual renewals) is transferred to the General Fund with the remaining 90 percent deposited in the Alcohol Beverage Control Fund for subsequent apportionment to cities and counties. Total license fee receipts are expected to increase, but the General Fund share is estimated to remain about the same as the previous year due to an anticipated drop in the sale of new licenses.

Cigarette Tax—\$77,000,000

Per capita cigarette consumption in 1966 fell seventenths of a pack below the 1965 level. Analysis of total consumption, by year, since inception of the tax indicates a decline in the rate of increase since the United States Surgeon General's 1964 report on

smoking. Although per capita consumption is expected to fall moderately, a more rapid increase in population will cause total consumption to rise. Estimates of per capita consumption are 134 packs for 1967 and 132.5 packs for 1968. Application of the 3-cent tax rate, with adjustment for the 2 percent distributors' discount, produces revenue estimates of \$77,000,000 for the budget year and \$75,570,000 for the current year, compared with actual collections of \$74,578,000 for 1965-66.

Horse Racing—\$53,775,000

State revenue from horse racing comes mainly from the tax on the volume of betting at the several race tracks. This tax is graduated from 5 percent of the first \$10 million in the parimutuel pool of each meet to 8 percent of amounts over \$125 million. The volume of betting varies considerably among the meets and from season to season. Weather conditions influence track attendance and, consequently, wagering. In general, however, wagering volume tends to follow personal income, and this relationship has been used in estimating horse racing revenue from the various tracks. The aggregate of parimutuel pools at all tracks in fiscal 1967-68 is estimated at \$693,300,000, against \$644,000,000 in the present fiscal year and \$620,465,000 in 1965-66.

Other revenue from horse racing is derived from "breakage" (the amount not paid to winning ticket holders), unclaimed parimutuel tickets, license fees, fines and penalties. The following table shows total receipts from horse racing and the final distribution of receipts among the various funds. After appropriations for the support of fairs, agricultural associations, and similar items, the excess revenue in the Fair and Exposition Fund is transferred to the General Fund.

Table 8
SOURCES AND DISTRIBUTION
HORSE RACING REVENUE
(In thousands)

Sources	1965-66	1966-67	1967-68
Tax on parimutuel pools-----	\$41,015	\$42,800	\$46,400
Breakage-----	6,101	6,470	6,970
Unclaimed parimutuel tickets--	254	310	320
Licenses, fines and penalties--	72	75	85
Totals-----	\$47,443	\$49,655	\$53,775
Distribution:			
General Fund-----	38,383	40,032	44,991
Fair and Exposition Fund--	8,309	8,873	8,034
Wildlife Restoration Fund --	750	750	750

Private Car Tax—\$2,700,000

Railroad cars owned by companies other than railroads are taxed by the state rather than by the various local governments. Assessed valuations are determined by the State Board of Equalization and the average statewide property tax rate during the preceding fiscal year is applied against the assessment roll.

Based upon assessments of \$32,986,000 and on a statewide rate of \$7.51 per \$100 of assessed value, current year collections will total \$2,481,000. Assuming increases in tax rates and assessed value of about the same amounts as in the past few years, receipts from this source have been projected at \$2,700,000 for 1967-68. Actual collections during 1965-66 totaled \$2,205,000.

Nontax Receipts—\$116,917,000

Miscellaneous receipts will total \$116,917,000 in the budget year, a decrease of \$11,793,000 over the corresponding figure for the current year. The drop in revenue is attributable to a change in distribution of oil and gas royalty revenues from the General Fund to special funds under authority of Chapter 155, 1966 First Extraordinary Session. Miscellaneous revenue is made up of five categories: interest income—\$32.6 million; medical aid payments—\$26.9 million under legislation enacted in 1965; pay patients and county board charges at hospitals and correctional schools—\$21.5 million; traffic penalties—\$11 million; and all other—primarily sales of property and charges for certain services to business—\$24.8 million. Principal amounts making up the total are shown in Schedule 2.

SPECIAL FUND REVENUE

Provisions of the State Constitution, codes and statutes restrict the use of certain revenue for specified purposes, and under California's financial procedure, these receipts are separately accounted in various special funds. In general, they comprise three categories of income: (1) receipts from broad tax levies which are allocated to specified functions; (2) charges for special services to specific groups; and (3) rentals, royalties and other receipts earmarked for particular purposes. Motor vehicle taxes and fees illustrate the first of these classes. License fees for the regulation of business and professions are typical of the second. Oil and gas royalties, assigned in part to water resources development and school support, are examples of the third. Interest received by the investment of special fund money is deposited in the fund for which the investments are held.

Motor vehicle taxes and fees account for seven-eighths of all special fund revenue. Principal sources of this income are the levies upon motor vehicle fuels, registration and weight fees, transportation tax, and vehicle license fees. During the 1967-68 fiscal year, \$1,031,184,000 will be derived from motor vehicle taxes. Approximately \$555 million of this revenue will be returned to local governments. The remainder will be available for various activities related to state highways and services to vehicle owners.

Regulatory fees and charges for special services to industry, business and the professions together with hunting, fishing and liquor licenses will amount to \$58.3 million in the coming fiscal year. Rents, royalties and other miscellaneous receipts during 1967-68 are estimated to total \$63.8 million. Interest from investments held for the various special funds are expected to reach \$14.1 million.

Motor Vehicle Fuel Taxes—\$574,184,000

The forecast of revenue from the gasoline tax rests primarily on two considerations: the number of vehicles in operation and the average consumption per vehicle. Including exempt vehicles, total registrations are expected to exceed 12,120,000 by December 31, 1967, up more than 4 percent from the previous year. Average consumption per vehicle during the current fiscal year is running at an annual rate of 637 gallons.

Under the above assumptions, total consumption will exceed 7.7 billion gallons in 1967-68. At 7 cents per gallon, this will result in revenue collections of \$540,484,000 during the budget year, compared with \$519,530,000 in 1966-67. The 1965-66 actual of \$519,888,000 is not comparable to subsequent fiscal year estimates because the gas tax was increased 1 cent per gallon from April 1, 1965, through August 31, 1965, to pay for repairs to state and local highways damaged during the December flood of 1964.

Diesel fuel consumption is estimated by extending a 12-month moving average, modified by the economic outlook, while the consumption of liquefied petroleum gas is estimated on the basis of past trends. Receipts from these two fuel taxes are estimated at \$33,700,000 in 1967-68, compared with \$31,900,000 during the current year. Here, again, the budget and current year estimates are not comparable to the \$31,220,000 received in 1965-66 because of the 1-cent special assessment.

Motor Vehicle Fees—\$437,300,000

Registration, weight and vehicle license fees account for over 95 percent of the \$437,300,000 anticipated during 1967-68. Drivers' license fees and charges for other services make up the remainder. Sales of new autos, trucks and trailers are expected to decline slightly in 1967, while motorcycle sales are estimated to be about the same as in 1966. Allowing for scrappage, and vehicles entering and leaving the state, total fee-paid vehicle registrations at year-end 1967 are estimated at 12 million.

The increase in registration fees enacted during the 1965 session of the Legislature added \$1 each year for 1966, 1967 and 1968. This will bring the basic registration fee for motor vehicles, other than station wagons, to \$11 for 1968. The aggregate receipts from registration, weight fees, drivers' licenses and other charges amounted to \$195,405,000 in 1965-66 and are estimated at \$211,500,000 in 1966-67 and \$234,300,000 in the budget year.

The vehicle license fee is levied in lieu of the local property taxes, and net revenue collections are remitted to local governments. The number of fee-paid vehicle registrations, original market value and age distribution are the determining factors underlying the vehicle license fee revenue estimate. The average

value of new vehicles appears to be rising and further increases have been projected for 1967 and 1968. However, collections from new vehicles are expected to show a small decline during 1967 because of lower sales. Average renewal fees will register only a small increase in 1968 as a result of the moderate decline in sales last year and the outlook for a further drop in 1967.

Total revenues from motor vehicle fees are shown in the table below:

Table 9
MOTOR VEHICLE FEES
(In millions)

	1965-66	1966-67	1967-68
Vehicle license fees-----	\$187.3	\$193.0	\$203.0
Registration and weight fees-----	179.7	196.5	217.2
Drivers' license fees-----	9.5	8.7	10.6
Other -----	6.1	6.3	6.5
Total -----	\$382.6	\$404.5	\$437.3

Transportation Tax—\$19,700,000

The transportation tax is imposed at the rate of 1.5 percent on the gross receipts from the operation of motor vehicles for hire outside of municipalities. Most of the vehicles subject to this tax use diesel fuel, and a regression equation relating gross receipts to diesel fuel consumption was used as the basis for the current and subsequent fiscal year estimates. Revenue during the budget year is estimated at \$19,700,000, versus \$18,500,000 for the current year and actual receipts of \$17,373,000 in 1965-66.

Other Special Fund Revenue—\$124,132,000

For the most part, nontax revenue flowing to special funds represents regulatory fees on business and professions, charges for special services to designated groups and royalties from oil and gas production on state-owned land.

For the budget year, these revenues will total an estimated \$124,132,000, up from \$97,663,000 in the current year. Actual revenue in 1965-66 was \$100,556,000. Most of the increase is traceable to the transfer of oil and mineral royalty receipts to the capital outlay fund for higher education. Details of the amounts comprised in these totals are shown in Schedule 2.

Table 10

SUMMARY OF STATE POPULATION, INCOME OF CALIFORNIA RESIDENTS, AND STATE TAX COLLECTIONS
Excluding Departmental, Interest and Miscellaneous Revenue

Year	Estimated			Fiscal Year	State Tax Collections			Taxes per Capita			Taxes per \$100 of Personal Income		
	Population July 1st (Thousands)	Personal Income (Millions)	Income per Capita		General Fund (Thousands)	Special Funds (Thousands)	Total (Thousands)	General Fund	Special Funds	Total	General Fund	Special Funds	Total
1950	10,643	\$19,744	\$1,855	1950-51	\$647,992	\$295,542	\$943,534	\$59.52	\$27.15	\$86.67	\$3.28	\$1.50	\$4.78
1951	11,130	22,756	2,045	1951-52	709,245	322,699	1,031,944	62.30	28.35	90.65	3.11	1.42	4.53
1952	11,638	25,214	2,167	1952-53	754,048	346,480	1,100,528	63.53	29.19	92.72	2.99	1.37	4.36
1953	12,101	27,002	2,231	1953-54	772,250	442,538	1,214,788	62.74	35.95	98.69	2.86	1.64	4.50
1954	12,517	27,682	2,212	1954-55	831,899	467,814	1,299,713	65.19	36.66	101.85	3.01	1.69	4.70
1955	13,004	30,378	2,336	1955-56	972,828	524,765	1,497,593	73.18	39.48	112.66	3.20	1.73	4.93
1956	13,581	33,177	2,443	1956-57	1,042,773	554,713	1,597,486	75.13	39.97	115.10	3.14	1.67	4.81
1957	14,177	35,497	2,504	1957-58	1,069,809	572,490	1,642,299	73.99	39.59	113.58	3.01	1.61	4.62
1958	14,741	37,361	2,534	1958-59	1,170,890	594,587	1,765,477	77.98	39.60	117.58	3.13	1.59	4.72
1959	15,288	41,010	2,682	1959-60	1,443,296	633,492	2,076,788	92.66	40.67	133.33	3.52	1.54	5.06
1960	15,863	42,980	2,709	1960-61	1,537,347	656,815	2,194,162	95.14	40.65	135.79	3.58	1.53	5.11
1961	16,453	45,678	2,777	1961-62	1,645,300	669,267	2,314,567	98.24	39.96	138.20	3.60	1.47	5.07
1962	17,044	49,051	2,878	1962-63	1,791,038	711,185	2,502,223	103.19	40.97	144.16	3.65	1.45	5.10
1963	17,670	52,615	2,978	1963-64	2,057,962	813,937	2,871,900	114.71	45.37	160.08	3.91	1.55	5.46
1964	18,209	56,404	3,098	1964-65	2,161,157	931,958	3,093,115	117.02	50.46	167.48	3.83	1.65	5.48
1965	18,726	59,958	3,201	1965-66	2,398,958	971,625	3,370,582	126.53	51.25	177.77	4.00	1.62	5.62
1966	19,195	65,330	3,403	1966-67†	2,491,378	995,799	3,487,177	127.97	51.15	179.11	3.81	1.52	5.34
1967	19,743	70,300	3,561	1967-68†	2,593,441	1,052,028	3,645,470	129.50	52.53	182.04	3.69	1.50	5.19

† Estimated.

Population estimated by the State Department of Finance.

Personal income, 1950 through 1965, from estimates by the Office of Business Economics, United States Department of Commerce. Data for 1966 and 1967 are estimates by the State Department of Finance.

Income per capita computed from population and income data shown. Amounts differ somewhat from U.S. Department of Commerce estimates.

Taxes per capita computed on the basis of population January 1st, the midpoint of the fiscal year.

NOTE: Tax collections are reported on a cash basis.

Table 11

COMPARATIVE YIELD OF STATE TAXES, 1945-46 THROUGH 1967-68
(In Thousands)

Year Ending June 30	GENERAL FUND											SPECIAL FUNDS		
	Sales and Use	Personal Income	Bank and Corporation ¹	Cigarette	Inheritance and Gift	Insurance	Distilled Spirits	Horse Racing ²	Liquor License Fees ³	Beer and Wine	Private Car	Motor Vehicle Fuel ⁴	Motor Vehicle Fees ⁵	Transportation Tax ⁶
1946__	\$180,461	\$45,009	\$55,863	—	\$14,514	\$13,763	\$18,191	\$22,758	\$8,980	\$3,772	\$571	\$61,075	\$37,366	\$6,801
1947__	241,507	51,219	59,151	—	20,079	14,697	16,212	19,062	8,902	3,690	580	75,528	51,884	8,077
1948__	275,566	50,185	69,182	—	20,465	17,609	12,399	20,177	8,009	3,474	717	120,126	80,210	7,887
1949__	294,565	50,142	75,798	—	21,797	20,557	13,815	17,292	8,598	3,749	775	128,397	91,241	7,953
1950__	325,493	60,504	74,806	—	19,916	23,285	12,755	14,822	8,032	3,621	911	138,350	101,732	8,378
1951__	399,243	75,891	98,245	—	23,671	23,447	16,094	16,368	8,106	3,796	891	149,907	117,680	10,194
1952__	417,693	90,914	120,127	—	29,165	25,732	14,430	20,042	7,828	3,730	1,089	162,076	127,809	11,312
1953__	460,110	94,551	119,127	—	23,474	29,171	15,615	20,960	8,687	4,069	1,127	170,871	139,406	13,359
1954__	465,051	96,169	125,026	—	24,112	34,325	15,546	22,552	8,586	3,989	1,222	234,395	170,519	13,337
1955__	492,917	106,738	133,661	—	30,250	38,501	16,108	22,877	9,213	4,172	1,301	244,588	185,505	13,921
1956__	564,225	127,816	157,088	—	36,334	39,104	33,970	24,930	9,638	4,373	1,330	273,104	209,817	15,956
1957__	600,102	143,290	167,431	—	38,540	42,529	34,902	26,695	10,616	4,361	1,424	291,382	219,266	16,994
1958__	605,238	149,269	173,599	—	45,331	46,037	33,963	25,948	11,297	4,595	1,590	302,671	227,153	15,609
1959__	631,514	160,553	174,003	—	44,943	105,832	36,685	28,087	11,962	5,129	1,712	317,728	236,177	11,203
1960__	709,648	246,585	240,735	\$64,805	47,189	61,530	40,369	36,288	12,379	10,016	1,613	336,809	256,303	12,543
1961__	711,702	269,103	272,718	66,024	76,803	66,745	41,274	37,260	13,044	9,704	1,668	350,819	264,842	12,511
1962__	749,523	299,034	290,870	66,054	76,012	71,699	45,418	38,311	13,533	10,495	1,753	363,796	274,906	13,223
1963__	813,465	322,012	311,251	70,194	92,432	77,970	48,152	41,663	13,939	10,659	1,808	386,215	298,356	14,106
1964__	876,944	392,341	405,431	71,822	102,195	107,200	50,145	43,442	14,274	11,299	1,846	450,195	329,584	15,183
1965__	939,649	410,109	416,247	74,477	114,464	95,199	53,915	47,560	14,596	12,422	2,017	542,822	353,607	16,030
1966__	1,096,162	454,625	435,597	74,578	123,781	100,854	56,718	47,443	14,878	12,606	2,205	551,108	382,656	17,373
1967__	1,078,000	508,700	476,500	75,570	124,500	107,900	60,800	49,655	15,190	13,450	2,481	551,430	404,500	18,500
1968__	1,131,000	551,700	454,000	77,000	135,000	115,300	64,100	53,775	15,540	14,170	2,700	574,184	437,300	19,700

¹ Includes the corporation income tax.² Includes special fund share of horse racing revenue.³ Includes special fund share of revenue from liquor license fees.⁴ Includes motor vehicle fuel tax (gasoline), use fuel tax (diesel and liquefied petroleum gas).⁵ Comprises registration and weight fees, motor vehicle license fees (in lieu) and other fees. Includes the General Fund share of motor vehicle license fees through 1964-65.⁶ Revenues from these sources were deposited in the General Fund during 1945-46, 1946-47 and in the early months of 1947-48.

NOTE: Changes in rates and other features of these taxes have affected their revenue yields; hence the data shown are not strictly comparable.

Table 12

OUTLINE OF STATE TAX SYSTEM AS OF JANUARY 1, 1967

Major Taxes and Fees	Reference		Base or Measure	Rate	Administering Agency	Fund
	Code	Sections				
Alcoholic Beverage Excises:						
Beer-----	R & T (1)	32151 (a)	Gallon (2)	\$0.04 (2)	Equalization (3)	General
Distilled spirits-----	R & T	32201 (a)	Gallon	1.50 (4)	Equalization	General
Wine:						
Dry-----	R & T	32151 (b)	Gallon	.01	Equalization	General
Sweet-----	R & T	32151 (c)	Gallon	.02	Equalization	General
Sparkling-----	R & T	32151 (d)	Gallon	.30	Equalization	General
Sparkling hard cider-----	R & T	32151 (e)	Gallon	.02	Equalization	General
Bank and Corporation:						
General corporations-----	R & T	23151	Net income	5.5% (5)	Franchise (6)	General
Banks and financials-----	R & T	23501 23181 23183	Net income	9.5% Max.	Franchise	General
Cigarette-----	R & T	30101	Package (7)	\$0.03 (7)	Equalization	General
Gift-----	R & T	15201	Market value	2-24%	Controller	General
Horse Racing License-----	B & P (8)	19491	Amt. wagered Breakage	5-8% 50-100%	Horse Racing Board	Fair and Exposition and General
Inheritance-----	R & T	13401	Market value	2-24%	Controller	General
Insurance-----	R & T	12202	Gross premiums (9)	2.33% (9)	Insurance Comm.	General
Liquor License Fees-----	B & P	23320	Type of license	Various	Alcoholic Bev. Control Dept.	Alcoholic Bev. (10) and General
Motor Vehicle:						
Vehicle license fees-----	R & T	10751	Market value	2%	Motor Veh. Dept.	Veh. Lic. Fee (11)
Fuel—gasoline-----	R & T	7351	Gallon	\$0.07	Equalization	Fuel (12)
Fuel diesel-----	R & T	8651	Gallon	.07	Equalization	Fuel
Registration fee-----	Vehicle	9250	Vehicle	10.00	Motor Veh. Dept.	Motor Veh. (13)
Weight fees-----	Vehicle	9400	Unladen weight	Various	Motor Veh. Dept.	Motor Veh.
Transportation-----	R & T	9651	Gross receipts	1½%	Equalization	Transp. Tax (14)
Personal Income-----	R & T	17041	Taxable income	1-7%	Franchise	General
Private (Railroad) Car-----	R & T	11401	Valuation	(15)	Equalization	General
Retail Sales and Use-----	R & T	6051 6201	Receipts from sales of taxable items	3%	Equalization	General

(1) Revenue and Taxation Code.

(2) This tax is levied at the rate of \$1.24 per 31-gallon barrel.

(3) State Board of Equalization.

(4) Distilled spirits in excess of proof strength are taxed at double this rate.

(5) Minimum tax \$100 per year, not applicable to banks.

(6) Franchise Tax Board.

(7) This tax is levied at the rate of 1.5 mills per cigarette.

(8) Business and Professions Code.

(9) Ocean marine insurance is taxed at the rate of 5 percent of underwriting profit attributable to California business. A special rate also applies to annuities.

(10) For return to cities and counties.

(11) For payment of administrative costs and apportionment to counties, cities and school districts.

(12) For administrative expense and apportionment to state, counties and cities for highway, airport and small craft harbors.

(13) For support of State Department of Motor Vehicles, California Highway Patrol, county roads and state highways.

(14) For administrative expenses and state highways.

(15) Average property tax rate in the state during preceding year, which for 1965-66 was \$7.51 per \$100 of assessed valuation.

Expenditure Program, 1967-68

Support and Local Assistance

Easily the most noteworthy feature of the 1967-68 budget is the modest increase proposed despite the continued high level of population growth and the concomitant pressures for substantially greater expenditures. By restricting the expenditures recommended in this budget to those necessary to meet clearly essential needs, the total outlay for the coming fiscal year for current expenses—support and local assistance—has been held to \$3,762,741,000,^a an increase of \$43,290,000 or 1.2 percent more than the revised estimated costs of \$3,719,451,000 for the same purposes during the 1966-67 fiscal year.

Proposed expenditures for capital outlay totaling \$852,381,000 bring the 1967-68 budget program to \$4,624,607,000 including bond funds compared to the \$4,875,225,000 estimated as the overall cost of government in 1966-67, a reduction of \$250,610,000.

In considering these totals, it should be noted that to balance expenditures with available financial resources to the greatest degree possible, economies as yet not identified in detail have been anticipated. Thus the amounts as reported in this section are net after allowance for workload increases and an economy goal of 10 percent in expenditures from the General Fund for support of state agencies. A comparable approach to expenditures from special funds will be taken.

Of the overall total, \$1,272,637,000 exclusive of bond funds is necessary to meet the current operating costs of the executive, judicial, and legislative branches of state government in 1967-68, \$66,677,000 less than the comparable amount for 1966-67. Aid to cities, counties, and special districts in the form of subventions and shared revenues total \$2,490,104,000 for the budget period, up \$109,967,000 from the re-estimated total of \$2,380,137,000 for this purpose in the present fiscal year.

Although the detailed budgets of individual departments as recommended herein are subject to later refinement as a result of the rigorous reexamination and evaluation of all programs being undertaken in accordance with the directions of the Governor, the totals are sufficiently accurate for discussion in terms of broad, major programs and activities.

EDUCATION

California has long supported the concept of a broadly based public school system. This has been done in the belief that no better investment in California's future can be made. Whether measured by students educated or dollars expended, California leads the nation in the magnitude of its educational effort.

For this reason, expenditures for education continue to make up the largest portion of the budget. In total, expenditures for this purpose are \$1,628.5 million or 43.3 percent of the entire budget and 54.5 percent of all General Fund costs. Of this amount, \$1,256.2 million is budgeted for assistance to school districts, printing and distributing of free textbooks,

payments for teachers' retirement, and other contributions toward the cost of operating our public school system.

For the support of higher education—principally the University of California and the State Colleges—appropriations of more than \$358 million are proposed in the 1967-68 budget. To appreciate the full dimensions of the state's higher education program, it is necessary to add \$20 million from tuition fees and \$21.5 million from reserve funds to the appropriations for the operations of the University and \$18 million from tuition fees to the appropriation of the State Colleges.

University of California

During 1967-68, an additional 9,687 full-time equivalent students will apply for admission to the University at its 9 campuses, representing an increase of 12 percent over the current year. The largest increase, 3,442 FTE students, represents the initial increment of the summer quarter at the Berkeley campus during 1967-68. This budget also provides for the initial increment of 76 graduate students at the Davis Medical Center and the initial increment of 246 graduate students at the San Diego Medical Center.

To provide for all the students at the University, a program level of \$238 million is proposed for continuing operations including funds related to the increased enrollments of 9,687 FTE students which brings total enrollment to 90,464 FTE students.

Included in the workload increase is an additional \$3.3 million for the full year cost of operating the summer quarter at the Berkeley campus in 1967-68 and \$672,000 for initiation of the summer quarter at the Los Angeles campus in the summer of 1968. Although implementation of year-round operation results in an initial cost increase, the greater utilization of existing classrooms and laboratories will result in significant savings in future capital outlay budgets.

State Colleges

The 19 State Colleges, administered by the Trustees of the California State Colleges will provide instructional programs for 140,515 full-time equivalent students in 1967-68, an increase of 11,165 students over the current enrollment. In addition, funds are included for 3,600 FTE in the summer quarter compared to 1,250 FTE in the current year. The state college system is one of the fastest growing and largest single complexes for higher education in the nation. The individual colleges each with a geographic, curricular, and academic character of its own, offer basic programs in liberal arts. Beyond this, each college provides individualized academic opportunities to the student population of the state.

The proposed program level for the State Colleges totals \$172.2 million for current operations.

Because of pressure for maximum utilization of physical plant and the resulting economies, a movement toward greater year-round operation is being

^a This and subsequent amounts rounded.

undertaken. Funds are provided in this budget to implement a conversion to full-year operation at the State College at Los Angeles.

Local Assistance for Education

The public schools, including junior colleges, will serve 4.7 million students, or nearly one out of four persons in the state, during the current year. This increase of 163,285 over the 1965-66 enrollment will require a state contribution totaling \$1.1 billion in 1967-68.

Chapter 168, Statutes of 1966, increased the special allowance for all attendance in grades 1, 2, and 3 from \$10 to \$20 beginning with the 1966-67 fiscal year to more nearly finance the class size requirements for these grades. In addition, the legislation provided increases in supplemental support to low wealth districts for the 1966-67 fiscal year only. These increases are providing some \$45 million in new state funds to the districts in the current fiscal year.

An appropriation of \$4,000,000 is proposed in 1967-68 to finance the cost of the Miller-Unruh Basic Reading Act of 1965. This program will improve the teaching of reading by providing full-time specialist teachers to the schools with under-achieving children. Expenditures in the current year were some \$2,000,000 and it is anticipated that districts will qualify for \$4,000,000 in the 1967-68 fiscal year.

An appropriation of \$10,000,000 is proposed in 1967-68 to finance the cost of special programs for the educationally handicapped. An additional appropriation of \$650,000 is proposed to reimburse school districts for instructional television costs as authorized by Chapter 1236, Statutes of 1965.

The budget provides \$13.3 million for the furnishing of previously adopted textbooks and \$8.3 million for new adoptions in English, spelling, handwriting, and music. The selection process for these new adoptions is now underway and for the second year in a row, it will result in one of the largest adoptions in the history of the textbook program.

Debt service on public school building bonds will increase to \$92 million in 1967-68, of which \$55.7 million will come from the General Fund. This program has constructed over 53,000 classrooms to house over 1.8 million students since its beginning in 1947.

An appropriation of \$7,834,000 is proposed for the operation of children's centers. These centers are operated by 46 school districts, primarily in the urbanized areas of the state, to provide low cost instruction, care and supervision of children whose parents must work to provide an adequate livelihood. An additional amount of \$15,000,000 will be provided this program from the Department of Social Welfare to finance preschool compensatory education to children from families receiving, or who might receive public assistance.

The 1967-68 budget includes \$800,000 for assistance to public libraries as authorized by the Public Library Services Act. The act was amended in 1966 to adjust the authorized limit of assistance and to modify the criteria for apportionment of per capita grants.

State level activity in compensatory education programs was greatly expanded in 1966 with the enactment of Senate Bill 28. The budget proposes \$7,000,000 for the class-size reduction portion of the bill

and \$2,000,000 for the programs of demonstration in reading and mathematics. Also proposed is \$1,000,000 to continue the teacher training activity. It is estimated that \$89,312,000 in federal grants will be available for these and similar compensatory education programs.

Title II of the Elementary and Secondary Education Act of 1965 will furnish \$8,989,000 in federal grants to improve school library resources of the state. This 5-year program will make available to public and private school children library resources, textbooks and other printed materials which are essential for improvement of the educational quality of the schools.

Department of Education

The administration and general supervision of public education through the junior college level is the responsibility of the Department of Education. Among the programs embraced by this broad field are the apportionment of funds for public school support; selection, printing and distribution of free textbooks for the elementary grades; and direct administration of special schools and facilities for the handicapped.

The department also acts as the cooperating agency in such federal-state cooperative programs as vocational education, national defense education, the distribution of surplus property, and the Elementary and Secondary Education Act of 1965. This program envisions the expenditure of \$2.5 million in the current year and \$3.4 million in the budget year for the administration of compensatory education, school library resources, and the strengthening of the State Department of Education.

One of the major steps being taken in an effort to strengthen the Department of Education is an analysis by a consulting firm to be completed in February 1967. This report will define the organization and mission of both the State Board of Education and the Department of Education. It will also define the role of the large metropolitan school districts and include recommendations on the administration of the junior colleges.

HEALTH AND WELFARE

Next in magnitude are expenditures in the field of health and welfare. These amount to \$919.3 million and include \$174 million for the support of the state's mental hospital system and \$19.3 million for aid to local governments for mental health services; \$11.8 million for the support of the Department of Public Health plus \$39.6 million for assistance for locally administered public health programs; \$437.6 million for the programs of the Department of Social Welfare including the state's share of aid to the aged, handicapped, and needy; and the medical assistance program which will require \$231.3 million from the General Fund. The remaining \$5.7 million in the Health and Welfare group is principally for the Department of Rehabilitation and several small programs including the Agency Administrator.

Medical Assistance Program

Established under the provisions of 1965 legislation, the California Medical Assistance Program replaced the

Public Assistance Medical Care and Medical Assistance for the Aged Programs. This legislation implemented Title XIX of Public Law 89-97, a major part of the federal medical care program. The total expenditures for this program in 1967-68 are estimated to be \$691.4 million. This total includes \$231.3 million of state funds, \$113.7 million of county funds and \$346.3 million of federal funds.

Mental Hygiene

The population of the hospitals for the mentally ill is continuing to decline at a substantial rate. From an all-time year end high of nearly 36,800 mentally ill patients on June 30, 1959, it is estimated that the number of patients will decline to 18,200 on June 30, 1968. This reduction of more than 18,500 (50.5 percent) in a span of 9 years is primarily attributable to: (1) the establishment and growth of local assistance to community mental health programs (Short-Doyle program); (2) development and increased use of tranquilizing drugs; and (3) retention of the treatment staff as the population declined providing a more effective staff to patient ratio.

The budget reflects adjustments in staff between hospitals for the mentally ill and hospitals for the mentally retarded to accommodate changes in admission rates and hospital population.

The neuropsychiatric institutes at the University of California at Los Angeles and at the University of California Medical School in San Francisco provide facilities for research in the prevention and treatment of mental illness and mental retardation. They also provide training for practitioners in the mental health field. The outpatient department of a new mental retardation unit at the University of California at Los Angeles Neuropsychiatric Institute will open in 1967-68.

As previously mentioned, assistance to local communities in the development of mental health programs under the provisions of the Short-Doyle Act is one of the efforts that has had the effect of reducing the population in hospitals for the mentally ill. The 1967-68 budget provides for the continuation of this program slightly above the 1966-67 level of expenditures. Initiated by legislation in 1957, it has grown to an estimated 1967-68 expenditure of \$19,350,000 from state funds.

Social Welfare

Assistance to California's aged, handicapped and needy citizens in the form of expenditures for economic aid as well as for social services, other local welfare activities, and cost of administration will total \$437.6 million in state funds during 1967-68. This is an increase of \$50.7 million over the revised estimate of expenditures for 1966-67.

Factors contributing to these increases include population growth; increased grants for statutory cost of living increases; a probable case finding effect on the Aid to Needy Disabled and Old Age Assistance programs as a result of the new Medi-Cal Program; and the continuing effect of legislative liberalization in the 1963 General Session, particularly in the Aid to Families with Dependent Children program.

The estimated state share of public assistance expenditures in 1966-67 of \$358,130,000 is over the limitation in the Budget Act of 1966 by \$32,292,797. This amount is attributable chiefly to the difference in caseload estimates used by the Legislature in establishing the 1966 Budget Act limitation and the revised caseload estimates based on more recent information. No welfare regulation changes have been adopted in the current year which would have added to the total expenditures.

The total average monthly welfare caseload during 1967-68 is estimated to be 1,314,832, an increase of 174,350 from the revised average for 1966-67. By June of 1968 the total number of persons in the welfare caseload is expected to reach 1,407,320.

Department of Public Health

The 1965 Legislature placed responsibility in the Department of Public Health for the care and treatment of the mentally retarded through the establishment of regional diagnostic and counseling centers serving the mentally retarded and their families. Currently two centers are in operation, one serving the San Francisco Bay area, the other serving the Los Angeles area. This program provides for the purchase of care for the retarded in the local community when failure to provide such care would otherwise result in hospitalization. The expenditures for this program in 1967-68 will approximate \$1.5 million and will provide service to an estimated 500 individuals and their families.

Another program, a broad-based community alcoholism treatment and rehabilitation program, was authorized by the 1965 Legislature to March 1, 1967. Under the terms of the enabling act, this program is therefore budgeted to March 1, 1967 only.

Also during 1965 two significant new programs were made possible with special federal grant-in-aid funds. A total of \$542,100 was received in the past year and the sum of \$373,100 was received in the current year for the purpose of developing and extending home health services in California. To date, approximately 80 such home health service programs have been licensed. Another grant of \$126,700 was received for the purpose of assisting the department and local health agencies in developing laboratory facilities for the determination of cardiovascular diseases.

The 1966 Legislature authorized the Department of Public Health to establish two regional dialysis centers—one in the northern and one in the southern part of the state for the treatment of persons suffering from chronic kidney conditions. The department will, during the current year, establish the two centers designed to provide life-saving dialysis services to patients.

The Department of Public Health is continuing to carry out the assigned responsibilities under Title XVIII of the Federal Medicare Act (Public Law 89-97) and those assigned by the Health and Welfare Agency Administrator through the Office of Health Care Services.

Rehabilitation

The budget of the Department of Rehabilitation shows continued expansion with no increase in Gen-

eral Fund appropriations since 1964-65. This is the result of Public Law 89-333 which changed federal participation in state rehabilitation programs from approximately 51 percent to 75 percent.

The department will continue to place strong emphasis on the rehabilitation of public welfare recipients to gain the maximum return for each tax dollar expended. A statewide planning unit was established in 1966-67 totally funded from a federal grant. This unit has been continued in the new budget and will assess the adequacy of the existing rehabilitation programs. The unit will attempt to delineate the specific steps necessary for the development of adequate vocational rehabilitation resources and programs within the state.

A program to assist the rehabilitation of narcotic addicts was initiated in 1966-67 and is continued in the 1967-68 budget.

In addition, the Department of Rehabilitation is participating in the Service Center Program as well as concentrating on services in other poverty areas.

HIGHWAYS AND VEHICLE REGULATION

Expenditures for highway maintenance and regulation of motor vehicles constitute the third major category. Supported entirely from highway user taxes, the cost of this function is anticipated to reach \$493 million in 1967-68. Of this sum, \$91.5 million is programmed for highway maintenance, administration, and research and development; \$75.5 million for support of the expanded Highway Patrol; and \$54 million for the activities of the Department of Motor Vehicles. The bulk of the remainder, \$271.8 million, is made up of payments to local governments for construction and maintenance of county roads and city streets.

Highways

Under provisions of the Streets and Highway Code, the State Highway budget as approved by the Highway Commission, must be submitted to the Legislature without modification by the Governor. It is included here to provide a comprehensive report of state expenditures.

This budget provides \$668 million for state highway construction purposes, including \$100.8 million for engineering and \$190.4 million for rights-of-way. Major construction effort continues on California's part of the National System of Interstate and Defense Highways.

Also provided is \$91.5 million for state highway purposes other than construction. Included within this amount is \$54.6 million for maintenance, \$19.4 million for administration, \$8.2 million for maintenance of landscaping, and \$4.1 million for highway research and development.

In addition to the expenditures for construction and maintenance of state highways, this budget includes \$78.9 million for rights-of-way and construction on the select system of city streets and county roads established by the 1963 Legislature, and \$56.5 million for improvements and maintenance work on city streets. Also provided are \$123.3 million for county roads, \$7.3 million for assistance to local jurisdictions in matching federal funds for local roads and highways, and \$5.8 million for grade crossing protection.

Department of Motor Vehicles

Expenditures for activities of the Department of Motor Vehicles are proposed at approximately the same level as the current year. An increase in funds is provided, however, to proceed with the second phase of the project to convert driver license records to an automated system.

California Highway Patrol

No increase in program is proposed over the current year for the Highway Patrol. There are additional expenditures, however, to finance the full-year cost of the major increase in manpower being implemented on a staggered basis during 1966-67. This will bring the cost of this function to \$75.5 million for 1967-68.

RESOURCE CONSERVATION

To provide for the preservation, development, and beneficial use of the state's natural resources will require \$126.1 million during 1967-68. Of the numerous programs carried on by several departments in this area, the more important in terms of relative cost are: forest fire suppression and other activities directed toward economically sound utilization of land, mineral, and forest resources, \$35.6 million; eradication and control of harmful pests and livestock and plant diseases, grading and inspection of agricultural products, and other services necessary to a viable agricultural industry, \$26.4 million; protection, propagation, and management of fish and wildlife, \$13.3 million; conservation and development of the waters of the state, \$14.6 million; operation of recreational areas and small craft facilities, \$14.9 million; and payment of the state's portion of the cost of flood control projects, \$15.8 million.

Conservation

The Department of Conservation proposes to spend \$35.6 million in state funds to meet their objectives of conservation, development, and wise utilization of the State's natural assets in forests, soils and mineral resources.

To achieve this objective, the department administers 3 major programs: Land Use Development and Management, Fire Protection and Conservation Camps.

The largest program, in terms of manpower and dollars, is the Fire Protection program, which provides protection for 38.2 million acres of public and private lands. Approximately 9.5 million acres of federal and local responsibility land is protected under a contract arrangement with the U.S. Forest Service and the counties of Los Angeles, Santa Barbara, Ventura, Kern and Marin. Fire Prevention, an element of this program, was augmented by \$500,000 in the 1966-67 budget to accelerate the prevention program statewide. It now appears that an intensive pilot project in Butte County offers adequate opportunity to investigate methods of fire prevention at less cost. Therefore, the fire prevention program has been reduced in the current and budget years to a pilot project in Butte County. When substantial statistical information is available from this project, a statewide fire prevention program may be instituted which will take advantage of the in-depth experience gained with a minimal dollar outlay.

The Conservation Camp program provides an environment for wards and inmates of the state correctional system in which a conservation-oriented living and work experience is used to assist in the rehabilitation and training of these men. Secondly, the 360 wards and 2,680 inmates provide a trained fire-fighting force as well as providing 1.2 million man-days of work on fire breaks, streams, and park sites.

Oak Glen is a federally supported Job Corps center operated by Forestry personnel, providing formal education, job counseling, and conservation-oriented vocational training for 170 young men between the ages of 16 and 21. An additional 30 positions are proposed in this budget to complete the staff for this camp.

Land Use Management and Development concerns itself with providing a program for the integrated and prudent use of the state's natural resources. Within this framework, the Division of Soil Conservation provides assistance in the organization and operation of local soil districts planning of watershed development projects which are partially supported by the Federal Government and administering a grant-in-aid program for assistance to these local soil conservation districts.

Forest aspects of reforestation, forest and brush range advisory services, forest management, demonstrations and forest practices regulations, as well as watershed management and research are coordinated by the Division of Forestry as part of this overall program.

Conservation and utilization of oil, gas and geothermal resources are regulated by the Division of Oil and Gas, while other mineral resources are explored, investigated and reported by the Division of Mines and Geology. One such project is preparation of the State Geological Map, depicting the major characteristics of the state's geology, will be completed this year. Another of these programs is designed to map areas of geological hazards and provide local governments with a source of information that may be used to protect present and future Californians from building in areas of potential danger and loss which occur such as mudslides, earthquake and fault slippages.

Fish and Game

The objective of the Department of Fish and Game is to assure the perpetuation and enhancement of the fish and wildlife of the state for the present and future enjoyment of the citizens of the state.

To accomplish this objective, the department proposes to carry on five programs at a cost to the state of \$13.3 million. These five programs are centered around enforcement, inland fisheries, wildlife, marine fisheries, and water supply and quality.

One-third of the budget is directed toward enforcement of laws and regulations to assure that the provisions of the Fish and Game Code are enforced to a degree that will insure that wildlife resources are utilized and enjoyed by all people in a manner appropriate to the welfare of the general public. Included in this program is the Hunter Safety element which annually trains 34,000 hunters, under the age of 18, in the proper handling of firearms.

Inland fisheries management accounts for 20 percent of the department's budget and strives to provide diversified and satisfying fishing for California

anglers who, last year, devoted 13.3 million angler-days to fishing for such species as trout, striped bass, sturgeon, and the many warm water game fish. To meet the demand created by these anglers and assure a sustained yield, hatcheries have been and will continue to be built and operated to supplement the natural propagation of these sport fishes.

Wildlife preservation is a companion program to the Inland Fisheries program and concerns itself with the perpetuation and conservation of native habitat development, bag limits, disease control and research to attempt to satisfy game requirements for the four million recreation-days enjoyed by California hunters.

Over 1.17 million marine sport fishermen and their commercial counterparts contribute \$340 million annually to the economy of this state. To be able to advise the Legislature as well as the Fish and Game Commission, the Marine Resources Program, comprising nearly one-quarter of the budget, includes studies of population dynamics and structure, ecology, life history and behavior of the many marine species existing in our coastal waters with the objective of maximizing fishery harvests and perpetuating the resource so as to obtain sustained yields.

The fifth program—Water Projects and Water Quality Review—concerns itself with review of highway construction activities, as well as, federal and state water projects which may affect fish and wildlife resources and provides technical services to other public agencies with statutory responsibilities for protection of these natural resources.

Water Resources

Maximum beneficial utilization of California's water is the continuing objective of the Department of Water Resources' 1967-68 expenditure program. Completed work and that under contract represents more than 50 percent of the California Water Project. Work on the Oroville Dam complex is estimated at \$50.1 million for 1967-68 while the Tehachapi Division, including the complex system of tunnels and pumps, is estimated to require \$56.9 million in the coming year.

Particularly significant is the anticipated completion of construction of Oroville Dam, Feather River Fish Hatchery, and road relocations in the Oroville area in 1967-68. Also during 1967-68 all construction will be completed on the North San Joaquin Aqueduct and on the San Luis Division with water delivery to Kettleman City scheduled to begin in January 1968.

California Water Project expenditures for 1967-68 will total \$369 million, an increase of \$40 million over the \$329 million estimated for 1966-67. The project is still on schedule both as to timing and financing. General obligation water bonds totaling \$200 million will be sold during 1967-68 as well as \$210 million in revenue bonds.

General departmental planning will continue to emphasize investigation of statewide water needs. Planning on the authorized additional project facilities in the north coast will continue with emphasis on conservation, transportation, flood control, recreation and fish and wildlife preservation.

State financial assistance for local projects under the Davis-Grunsky Act will continue with loans esti-

mated at \$345,000 and recreation grants of \$9.6 million.

The Reclamation Board's flood control program requires an expenditure of \$4.6 million, including almost \$1.4 million for the State's share of the Sacramento River Bank Protection project. The Department of Water Resources' portion of the State's local assistance flood control program anticipates expenditures of \$11.2 million in 1967-68.

Harbors and Watercraft

The new Department of Harbors and Watercraft was created by Chapter 61, Statutes of 1966, First Extraordinary Session and assumed all the duties, responsibilities and funds of the Division of Small Craft Harbors, Department of Parks and Recreation. This department administers two basic programs—boating facilities development and boating regulations.

The 1967-68 fiscal year budget provides funds to continue these programs and actually provides for an increase in the level of funds for boating facilities development. This increase will double the amount of funds provided for this program in 1966-67. The principal source of funds for this activity is \$4 million transferred from the Motor Vehicle Fuel Fund annually.

Parks and Recreation

The 1967-68 support budget for the Department of Parks and Recreation totals \$14.9 million and reflects the growth in demands for outdoor recreation. The demand for outdoor recreation is indicated by the increasing number of state park visitors.

The number of visitors to the state parks increased by 3.7 million from fiscal year 1964-65 to fiscal year 1965-66. This was an increase of over 10 percent and the same rate of increase is expected in fiscal years 1966-67 and 1967-68. Such an increase will bring over 43 million visitors to the state parks in the 1967-68 fiscal year.

The passage of the State Beach, Park, Recreational and Historical Facilities Bond Act of 1964 made possible an expansion of the State Park System. The department has initiated an accelerated recreational development program to develop park lands as soon as possible. Currently, the department has available close to \$100 million in General Fund and bond act monies to acquire and develop park projects. Emphasis in the 1967-68 fiscal year will be directed towards reducing this backlog and completing these funded projects as soon as possible.

During the 1967-68 fiscal year the department's statewide long-range planning staff will continue to develop data to indicate how the state's recreational demands can be met best.

The 1967-68 budget provides for a continuation of the recreational grant program pursuant to the State Beach, Park, Recreational and Historical Facilities Bond Act of 1964. This program is administered by the Division of Recreation.

Agriculture

The Department of Agriculture is engaged in combating an outbreak of cotton boll weevil and pink bollworm in Riverside and Imperial counties. Surveys will be continued to prevent the introduction of this pest into the heavy cotton-producing San Joaquin Valley.

Elimination of brucellosis, tuberculosis and other animal diseases will be continued at the current level. Samples of fruits, vegetables, and hay will also continue to be analyzed for pesticide residue. The additional number of pesticides makes this an ever increasing and important part of the enforcement program.

CORRECTIONS

Protection of the public from injury and financial loss through confinement and rehabilitation of persons convicted of serious crimes is the next principal function of state government. The 1967-68 cost of meeting this responsibility is projected at \$122.2 million. The larger expenditures in this category are \$77.3 million for the support of the state prisons and \$37.9 million for operating facilities for minors committed to the Youth Authority. In addition, \$6.9 million is provided for the anticipated cost of assistance to counties for programs of mutual interest in delinquency control and probation supervision.

Rehabilitation is emphasized in the programs conducted by the Department of Corrections and the California Youth Authority. It is the purpose of both of these departments to effect behavioral changes in law violators committed to their care, so as to return them to society as productive citizens.

To accomplish this, the programs of these departments consist of:

1. Imprisonment, therapy and rehabilitative training.

2. Guidance and supervision while on parole.

Twenty-five institutions and 44 conservation camps will be operated by these departments during the 1967-68 fiscal year. Nearly \$7 million will be contributed by the state to local communities to enable these communities to establish and maintain their own juvenile detention facilities, for the development of delinquency prevention programs, to maintain augmented probation programs, and to control juveniles crossing the International Border at San Ysidro.

The effectiveness of the state's correctional system must be measured both in terms of their rehabilitative accomplishments, as well as the degree of protection they render society through the secure confinement of men and women committed to their care. The emphasis by both the Department of Corrections and the Department of the Youth Authority on community based treatment programs have served to minimize costly institutional expansion, as well as to enable and encourage local communities to develop programs of treatment and prevention, while reducing the cost of correctional program to the taxpayer.

Department of Corrections

While the Department of Corrections has made important progress in recent years, some persistent problems and challenges remain.

California's expanding population and accompanying urbanization continue to place an increasing burden on the state's correctional facilities. This problem is being met on two fronts; by providing additional institution capacity and by the utilization of community-based programs.

The 1967-68 fiscal year will represent the first full year of operation of an additional 640-man medium-

security facility at Tehachapi. The opening of Tehachapi along with the completion of 260-man additional camp capacity will bring the department's rated capacity to 27,135 by July 1, 1967. During the 1967-68 fiscal year, additional capacity of 606 will be added by construction at the California Institution for Men, Correctional Training Facility, and at the existing minimum facility at Tehachapi. Thus, total rated capacity will be 27,741 by July 1, 1968.

Even with the expanded institutional capacity, the department is continuing its effort to minimize the growth of institutions. This is being done through a substantial effort to expand community-based resources. Although this thrust is in its infancy, the advantages appear to be twofold; the return of offenders to gainful employment while at the same time providing proper supervision at a lower cost to the taxpayer.

The most recently developed community-based program is the Work Furlough Program authorized by the 1965 Legislature. This permits the Director of Corrections to place selected inmates in local correctional facilities. While there, the offender is permitted to work in private industry during the day and return to the correctional facility at night. Inmates are required to pay for the maintenance so long as they are employed. The program has the potential of reducing institutional growth as well as costs and permits selected inmates to return to the community at earlier dates as productive members of society.

An average of 16 inmates participated in this program in the 1965-66 fiscal year. It is estimated that 165 and 170 inmates will participate in 1966-67 and 1967-68 respectively.

The reorganization of San Quentin into "program units" instituted in 1966-67 is being completed in the 1967-68 fiscal year. This provides for a functionally oriented program in lieu of the previous separation of custody and treatment responsibilities. This pattern has been followed with success at several of the penal institutions.

Youth Authority

During the budget year, the population of the Youth Authority will continue to grow. This is due primarily to the increase in the delinquency-prone population age group (10 through 20 years old). In the past 10 years, the number in this age group has grown at a rate more than twice the growth rate of the rest of the population.

To effectively meet this challenge, and to protect society while rehabilitating those youths committed to its jurisdiction, the Youth Authority has taken a number of creative steps to ensure that an efficient and effective service will continue to be provided for the people of California.

The Karl Holton School for Boys will open in the latter part of the 1966-67 fiscal year. This will provide relief for some of the institutions which are now overcrowded, as well as to allow for some future growth. The DeWitt Nelson Youth Conservation Training Center will be completed late in the 1967-68 fiscal year. Population projections, however, are such that it will probably not be necessary to open this institution until the early part of the 1968-69 fiscal year.

In past years, the Youth Authority's population had risen at a rate which necessitated constructing additional capacity each year in order to keep pace. As a result of the increase new techniques in the treatment and prevention of delinquency had to be developed. The Youth Authority's efforts in treating some types of offenders in the community, in lieu of institutionalization, led to the passage of legislation which provided funds to assist counties in their development of local programs. These funds now enable counties to develop special supervision programs to handle offenders who otherwise would be committed to state facilities.

The initial results of these community based programs are encouraging. Recent population figures have indicated that the commitment rate to the Youth Authority is beginning to decline. While this is due in part to a number of socio-economic factors such as full employment, and a high draft rate, it is also due in some measure to the effectiveness of these programs. More counties are treating more youths in county operated facilities; at substantially less cost to the state than would be the case if these youths were to be maintained in state operated facilities.

While new facilities will undoubtedly be needed in the future, as California's population continues to increase, the rate at which they will be needed should be much lower than has been the case in the past. This can be attributed to ongoing efforts toward the development of new and creative programming, providing more effective services to the taxpayer at a reduced cost.

FISCAL AFFAIRS AND GENERAL ADMINISTRATION

Brought together in this category are the departments of state government responsible for tax collection and overall management and administration.

Board of Equalization

Chapter 147, Statutes of 1966, First Extraordinary Session (AB 80) strengthened the role of the State Board of Equalization in the administration of local property taxes. The impact of the new law is felt in two of the board's major property tax programs—intercounty equalization and assistance to county assessors.

Franchise Tax Board

The Franchise Tax Board work measurement and control program authorized by the 1966 Legislature is now in operation and progressing according to plan. After recovery of program expenditures in 1967-68, additional savings resulting from improved operating procedures and applied work standards are expected to reach \$285,000.

Department of Finance

The Department of Finance has general supervision over the fiscal affairs of the state, and in addition, it undertakes studies relative to the State Development Plan, coordinates local communities' planning, evaluates state programs and policies and serves as a consultative resource to the Governor.

The Budget Division is currently initiating a state-wide programming and budgeting system to be inte-

grated with the adoption of a program budget. The Economic Development Agency, which has been reactivated, is currently acting as a coordinator between the business community and all state agencies associated with that community.

The State Office of Planning will complete, in the current year, a regional land use information system project. This federally supported program is directed towards providing a centralized bank of land use data common to city, county, state, and federal governments.

General Services

This department was created in 1963 to provide centralized services necessary for the operation of state government. These services include property management, physical facilities planning and development, technical services, and administrative services. In the budget year, the Building Maintenance and Protection Division will be totally reimbursed except for the operations of the State Capitol and the State Capitol Park. This action is based on charging rent for space in General Fund buildings to all agencies irrespective of the source from which the tenant agencies' activities are supported. This will more accurately reflect complete program costs.

Department of Housing and Community Development

The Department of Housing and Community Development was created in 1965. It is responsible for providing assistance to local government upon request, in developing new and used housing for farm laborers, racial minorities, persons displaced by governmental action and low income persons. Assistance is also provided to governmental agencies and private enterprise regarding the nature and availability of federal assistance for housing and community development or redevelopment. In addition, the department has assumed all duties and responsibilities of the Division of Housing formerly a part of the Department of Industrial Relations.

BUSINESS AND COMMERCE

Included within this function are the departments, boards, and commissions responsible for licensing and regulating certain businesses and professions.

Professional and Vocational Standards

The Department of Professional and Vocational Standards coordinates and supervises the administrative and fiscal affairs of 30 boards, bureaus, and commissions as well as 4 departmental divisions. The 30 boards, bureaus and commissions are responsible for regulating in excess of 700,000 persons practicing more than 50 professions and vocations in the State of California.

Banking

The State Banking Department is responsible for administration of the laws of the state as they relate to state-chartered banks and trust companies and to the banking and trust business in general. While the number of banks has remained relatively constant in recent years, the number of banking offices and the total resources of these banks have increased steadily. Fifty-six additional banking offices were opened in

1965-66, making a total of 764 such offices in the state. In 1966-67 and 1967-68, approximately the same number of additional offices are anticipated. At the end of 1967-68, it is expected there will be 882 state banking offices serving the public.

Corporations

The Division of Corporations is responsible for the protection of the public in the sale of securities and the prevention of fraudulent, usurious, or injurious activities under a series of laws which regulate certain companies engaged in the lending or fiduciary business activities.

An increase of 2,514 permits, licenses, and orders issued under the Corporate Securities Law along with an increase of 243 licensees regulated under other laws is anticipated in 1966-67. Similar increases are expected in 1967-68.

Insurance

There are 109,000 licenses currently issued to individuals engaged in the insurance business. A slight increase is expected in the number of applicants to be examined and licensed in the current and budget years. The cumulative effect of 20 separate legislative measures enacted at the 1965 General Session resulted in increased workload which could not be absorbed by the existing staff. The 1967-68 budget reflects the continuation of staff additions in the current year to handle the added workload.

Real Estate

As of June 30, 1966, the total number of licenses issued and in effect was 147,500. A lower number of licenses are now in effect than at the end of the previous year because of legislation enacted in 1965 which combined certain classes of licenses and changed licensing procedures.

The examination program is in the process of being updated in order to increase its effectiveness, achieve future economies and provide better service to the public. Current examinations are essay type requiring hand grading. The process is slow and costly. Conversion of all examinations to an objective, machine scored test is essential to process economically the current volume of examinations and to avoid further increases in staff. Revision of the examination program will take place in 1967-68. Conversion will be completed by January 1969 with annual savings of \$20,000 anticipated as a result of this action.

Savings and Loan

The number of state-licensed savings and loan associations continues to decline while the number of branch offices has increased steadily. The number of associations has declined from 210 in 1964-65 to 202 in 1965-66 and it is anticipated there will be 195 at the end of 1966-67. The number of branches, during the same period, have increased from 254 in 1964-65 to 290 in 1965-66 and a total of 311 are expected by the end of 1966-67.

Public Utilities Commission

In the past year the Public Utilities Commission continued to obtain reductions of millions of dollars in utility charges while holding increases in rates for transportation to a minimum consistent with advance-

ing costs of operation, caused in most instances by higher wages.

Investigation into earnings of major regulated utilities resulted in substantial rate reductions during the past fiscal year. Reductions totaled \$13,732,000 per year, while increases granted totaled \$4,892,000. In addition to the rate reductions, gas utilities refunded \$10,000,000 to customers early in 1966 as a result of federal income tax savings. Benefits to California gas users through the commission's participation in proceedings currently before the Federal Power Commission may total \$11,700,000 per year in lower charges. The commission also has intervened to protect the interest of the California public in the current Federal Power Commission investigation of the earnings and operations of the American Telephone and Telegraph Company.

Railroads, trucks, and water carriers had combined revenues during the calendar year 1965 of \$1,056,846,000. Of the total, 16,195 for-hire truck operators collected revenues of \$942,121,000 which was 89.1 percent of the total for intrastate transportation of property. Railroads and Railway Express Agency collected \$110,935,400 or 10.5 percent of the total, while water carriers collected \$3,789,600 or 0.4 percent. A total of 456 decisions involving adjustments of rates, rules, and regulations for the transportation of freight or passengers were issued during the year.

The data bank program assumed a fully operational posture during the current fiscal year. This program permits compilation of rate data by electronic means and provides more timely tariff schedules to the motor carrier industry. It is anticipated that the program will become increasingly valuable to the commission and the industry in the future in establishing fair and timely tariffs.

PUBLIC SAFETY

Grouped under this heading are the costs attributable to the protection of the public, preservation of civil authority, and crime prevention. Within this classification are the Disaster Office; Military Department; Department of Justice; Fire Marshal; and Department of Veterans Affairs.

Justice

The workload of the Department of Justice is to a considerable extent related to the growth of the state and its government due to the attendant increase in the civil and administrative legal problems of state departments, boards and commissions. Criminal activity also has an effect on the workload of the department in the area of law enforcement.

The number of civil law cases increased from 3,816 in 1964-65 to 4,350 in 1965-66, an increase of 14 percent. The number of pending civil law cases was 4,840 on June 30, 1965, and 5,033 on June 30, 1966, representing an increase of 4 percent.

The number of criminal cases increased from 6,589 in 1964-65 to 6,907 in 1965-66, an increase of 5 percent. The number of pending cases was 3,566 at the end of 1964-65 and 3,700 at the end of 1965-66, an increase of 3 percent. Of the total number of criminal cases, writs and appeals accounted for 4,269 and 5,037 of the cases in 1964-65 and 1965-66 respectively, or approximately two-thirds of the total caseload.

In December 1966, the Attorney General successfully concluded a major antitrust action against manufacturers of steel library shelving. This action resulted in state and local agencies recovering the sum of \$610,000. All expenses incurred by the state in this litigation were recovered.

In the area of law enforcement, a principal contribution of the Department of Justice is that of providing data and services connected with criminal identification and investigation and the exchange of information with local law enforcement agencies. In order to improve effectiveness and responsiveness in this area, the department is applying automatic data processing technology.

In January 1966, a computer was installed and operations are being converted to it. The firearm file, stolen property file, and several statistical files have been computerized. Conversion of the modus operandi, sex registrant and narcotic registrant files and certain statistical reporting systems currently is in progress.

Early in 1967, the second complement of computer equipment will be installed. Upon installation of this equipment, the data processing system will have the capability of providing information from computerized programs on an on-line basis. Additionally, it will serve the new California Law Enforcement Telecommunications System (CLETS) when it becomes operational.

The availability of currently authorized equipment will enable the state to exchange law enforcement information with the federal government. In January 1967, the department's data processing system was connected to the National Crime Information System operated by the Federal Bureau of Investigation. Linking of the two data systems permits a direct exchange of data between state and national files. Initially, information is being transmitted and received pertaining to stolen property, stolen weapons and wanted persons.

The design study for a criminal justice information system authorized by the Legislature last year is currently underway. The development of such a system includes direct involvement of user personnel at both the state and local levels. It is anticipated the study will be completed in April 1968. Two federal grants, totaling \$264,442 in 1966-67 and \$110,558 in 1967-68, have been received to assist in financing the study.

Through the program of the Commission on Peace Officers' Standards and Training, a total of 2,836 officers were trained, 378 jurisdictions were eligible for state assistance for peace officer training, and \$831,789 was paid to local jurisdictions in 1965-66. In 1966-67, it is anticipated 3,100 officers will be trained and \$926,800 allocated to local jurisdictions. The 1967-68 program plans for the training of 3,450 officers and reimbursements to local jurisdictions of \$995,200.

OTHER EXPENDITURES

The preceding categories cover all expenditures for those programs and activities that may be appropriately combined as contributing to the attainment of generally similar objectives. There remain, how-

ever, certain costs which do not fall within any of the foregoing functional areas. To round out this presentation and to provide comprehensive coverage of all major expenditures, significant items of cost not discussed previously are brought together in this last category.

Included within this classification are the costs of the legislative and judicial branches of the state's government; the Department of Employment; the Department of Industrial Relations; debt service; shared revenues; and various unallocated expenditures.

Industrial Relations

The Department of Industrial Relations contributes toward improvement of working conditions of wage earners in the state, including negotiation of labor disputes, adjudication of claims under the Workmen's Compensation Law, and the enforcement of standards of safety in all phases of industrial activity.

The work injury rate in California decreased from 32.3 injuries per 1,000 employees in 1964 to 31.1 injuries per 1,000 in 1965. The size of the labor force and the number of employed workers increased in 1965 over the previous year.

The on-the-job training program under the Federal Manpower Development and Training Act increased sharply in 1966-67 to \$681,000 and is increased further to \$689,000 in the 1967-68 year.

Employment

Although the State Department of Employment is supported largely from federal subventions and trust funds and such expenditures are not included in the budget totals, the size and significance of this agency justifies its review here. Program costs, which will decrease from \$654 million in 1966-67 to \$648 million in 1967-68, include a decrease of \$17.6 million in unemployment benefit payments, and an increase of \$11.6 million in disability insurance benefit payments.

Of continued significance in the programs of this department are the job training activities being conducted under provisions of the Federal Manpower Development and Training Act in cooperation with the Departments of Education and Industrial Relations. It is estimated that 12,500 trainees will be enrolled in courses under these programs in 1967-68 at an administrative cost to the Department of Employment of \$2.5 million. Benefit and training allowances of \$22.5 million will be allocated to enrollees

in the program. This includes an increased allowance cost per trainee based upon the current congressional intent to provide funds for basic education and job training for the "hard core" unemployed. The department will continue to stress the employability of workers, especially youth, through employment counseling, referral for training, and basic education under such programs as the Job Corps and operation of Youth Opportunity Centers.

Judicial

Chapter 92, Statutes of 1966, First Extraordinary Session added a fourth division to the First District Court and a fifth division to the Second District Court. This legislation provides \$470,000 to establish these two divisions and this budget provides for their continuation.

Salary Increase

To restore some measure of parity with salaries paid by other major employers, increases in compensation of registered nurses ranging from 10 to 17.5 percent, effective November 1, 1966, are recommended. The estimated cost of this adjustment is \$1.7 million for the current year and \$2.7 million in 1967-68.

In addition, this budget anticipates the expenditure of nearly \$6 million appropriated last year for salary increases for instructional and instructional related classes in the State Colleges.

Poverty Reduction and Prevention

Although a comparatively small amount is budgeted directly for this program, provision has been made in the budgets of the participating departments to continue these services in areas in which the most acute needs exist.

Earthquake and Storm Damage

In 1965-66, expenditures of over \$17 million were made within this program primarily to repair and restore streets, roads, and bridges damaged or destroyed by storm and flood conditions during 1964-65. The funds for this purpose were provided by a temporary one-cent addition to the gas tax and by federal reimbursements, as authorized by Chapter 27, Statutes of 1965.

Estimated and proposed expenditures for 1966-67 and 1967-68 are for the purpose of completing storm and flood repairs resulting from the 1964-65 storms and to cover damage sustained in 1965-66.

Table 13

PERSONNEL MAN-YEARS AND SALARY COST ESTIMATES

FUNCTION	Actual 1965-66		Estimated 1966-67		Proposed 1967-68	
	Personnel man-years	Amount	Personnel man-years	Amount	Personnel man-years	Amount
Legislative	186.5	\$1,472,475	219	\$2,307,353	219	\$2,961,807
Judicial	231.3	3,155,366	269	3,695,279	269.4	3,853,424
Executive	222.2	2,078,734	279.3	2,625,366	253.9	2,465,160
General Administration	4,862.7	36,878,982	5,375.6	42,323,444	5,353.6	42,513,870
Agriculture	2,174.3	16,357,582	2,239.6	17,614,348	2,223.4	17,686,877
Corrections	9,530.6	74,984,427	10,503	84,669,793	10,379.4	87,186,331
Education	1,894.6	14,492,224	2,131.6	17,715,818	2,104.5	17,830,882
Higher Education	44,648.8	356,048,010	52,067.9	440,290,070	52,367.3	451,890,904
Employment	7,912.3	56,755,320	8,449.6	63,324,384	8,242.4	63,157,358
Fiscal Affairs	4,784.7	37,236,601	5,039.8	41,157,947	5,012.8	41,707,771
Health and Welfare	24,869.3	170,220,167	26,296.5	187,987,995	26,260.6	191,912,603
Industrial Relations	1,661.9	14,761,299	1,813	16,949,896	1,810.2	17,324,359
Justice	1,312.9	10,381,638	1,514.1	12,259,690	1,495.5	12,567,743
Military Affairs	556.8	3,098,517	411	2,855,455	383.8	2,787,766
Regulation and Licensing	3,170.2	26,592,016	3,357.3	29,640,362	3,347	29,996,427
Resources	10,404.3	82,053,987	12,037.4	98,360,094	12,084.8	102,818,113
Transportation	29,836.9	224,558,220	33,069.3	251,547,310	33,566.9	263,322,780
Veterans Affairs	1,067.9	6,770,065	1,082.1	7,119,188	1,081.6	7,223,963
Miscellaneous	420.8	3,554,823	410.2	3,779,639	414.1	3,860,517
Unallocated	1,450	10,184,438	2,248.1	15,435,194	2,254.1	16,980,647
Salary Increase Program	-	-	-	1,610,723	-	7,981,402
TOTALS	151,199.0	\$1,151,634,891	168,813.4	\$1,343,269,348	169,124.3	\$1,388,030,704
CLASSIFICATION						
Statutory	290.1	\$4,799,403	306.1	\$5,829,238	307.1	\$6,540,147
Exempt	811.9	8,175,876	904.2	9,698,443	886.9	9,803,083
Civil Service	105,491.5	783,001,927	115,599.8	887,830,586	115,628.7	914,621,323
State Colleges	15,813.2	132,506,667	18,502.3	166,406,350	18,456.3	176,807,312
University of California	26,891	213,361,631	31,341.1	262,355,230	31,568.7	268,411,914
Other Higher Education Facilities ^a	1,901.3	9,789,387	2,159.9	11,149,501	2,276.6	11,846,925
TOTALS	151,199.0	\$1,151,634,891	168,813.4	\$1,343,269,348	169,124.3	\$1,388,030,704

^a Includes Hastings College of Law, auxiliary enterprises of University of California, Maritime Academy, State College Dormitory Revenue, Revenue Fund, College Auxiliary Enterprise Fund, and State College Parking Revenue Fund Staff.

Schedule 2

COMPARATIVE STATEMENT OF REVENUES; CASH BASIS, FISCAL YEARS 1965-66, 1966-67, AND 1967-68

Sources	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
MAJOR TAXES AND LICENSES:									
Alcoholic Beverage Control Taxes and Licenses:									
Excise Tax on Beer and Wine.....	\$12,605,822		\$12,605,822	\$13,450,000		\$13,450,000	\$14,170,000		\$14,170,000
Excise Tax on Distilled Spirits.....	56,717,799		56,717,799	60,800,000		60,800,000	64,100,000		64,100,000
Liquor License Fees.....	3,449,523	\$11,428,428	14,877,951	3,445,000	\$11,745,000	15,190,000	3,480,000	\$12,080,000	15,540,000
Bank and Corporation Taxes.....	435,596,928		435,596,928	476,500,000		476,500,000	454,000,000		454,000,000
Cigarette Tax.....	74,578,237		74,578,237	75,570,000		75,570,000	77,000,000		77,000,000
Gift Tax.....	9,954,920		9,954,920	9,500,000		9,500,000	10,000,000		10,000,000
Horse Racing (Parimutuel) License Fees.....	38,383,266	9,059,338	47,442,604	40,031,545	9,623,455	49,655,000	44,991,362	8,783,638	53,775,000
Inheritance Tax.....	113,825,662		113,825,662	115,000,000		115,000,000	125,000,000		125,000,000
Insurance Gross Premiums Tax.....	100,854,017		100,854,017	107,900,000		107,900,000	115,300,000		115,300,000
Motor Vehicle License Fees ("In Lieu" Tax).....		187,251,060	187,251,060		188,000,000	188,000,000		203,000,000	203,000,000
Motor Vehicle Fuel Tax--Gasoline.....		519,888,201	519,888,201		519,530,500	519,530,500		540,484,500	540,484,500
Diesel and Liquid Petroleum Gas.....		31,220,203	31,220,203		31,900,000	31,900,000		33,700,000	33,700,000
Motor Vehicle Registration and Other Fees.....		195,404,713	195,404,713		211,500,000	211,500,000		234,300,000	234,300,000
Motor Vehicle Transportation Tax.....		17,372,914	17,372,914		18,500,000	18,500,000		19,700,000	19,700,000
Personal Income Tax.....	454,624,593		454,624,593	508,700,000		508,700,000	551,700,000		551,700,000
Private Car Tax.....	2,204,960		2,204,960	2,481,441		2,481,441	2,700,000		2,700,000
Retail Sales and Use Taxes.....	1,096,161,866		1,096,161,866	1,078,000,000		1,078,000,000	1,131,000,000		1,131,000,000
TOTALS, MAJOR TAXES AND LICENSES	\$2,398,957,593	\$971,624,857	\$3,370,582,450	\$2,491,377,986	\$995,798,955	\$3,487,176,941	\$2,593,441,362	\$1,052,028,138	\$3,645,469,500
OTHER REVENUES:									
Architecture Public Building Fund.....		\$1,533,282	\$1,533,282		\$1,558,000	\$1,558,000		\$1,565,000	\$1,565,000
Corporation-Licenses, Permits and Examination Fees.....	\$3,788,968		3,788,968	\$3,903,035		3,903,035	\$4,014,068		4,014,068
County Board Charges:									
Mental Hygiene Patients.....	3,790,906		3,790,906	3,750,000		3,750,000	3,800,000		3,800,000
Youth Authority Wards.....	1,690,468		1,690,468	1,699,900		1,699,900	1,891,700		1,891,700
Pay Patients Board Charges and Clinic Fees.....									
Mental Hygiene Patients.....	16,007,196		16,007,196	15,652,500		15,652,500	15,706,000		15,706,000
Clinic Fees.....	261,900		261,900	100,000		100,000	105,500		105,500
Department of Agriculture.....	97,184	9,110,119	9,207,303	98,511	9,862,403	9,960,914	97,465	9,894,043	9,991,508
Professional and Vocational Standards.....	148,508	9,398,007	9,546,515	127,385	8,551,878	8,679,263	121,290	11,472,419	11,593,709
Division of Real Estate.....		3,357,621	3,357,621		3,883,319	3,883,319		3,976,417	3,976,417
Fishing and Hunting Licenses.....		12,019,688	12,019,688		12,263,307	12,263,307		12,648,254	12,648,254
Insurance Fund.....		3,295,123	3,295,123		3,142,000	3,142,000		3,727,000	3,727,000
Interest on Investments:									
California Water Fund.....		636,750	636,750		636,750	636,750		636,750	636,750
Pooled Money Investments.....	29,899,490		29,899,490	31,936,242		31,936,242	32,521,825		32,521,825
Surplus Money Investments.....		7,338,525	7,338,525		8,380,983	8,380,983		8,981,744	8,981,744
Condemnation Deposit Investments.....	71,209	1,231,750	1,302,959	77,500	1,108,452	1,185,952	73,000	1,108,452	1,181,452
Other Interest Income.....	693,847	4,942,812	5,636,659	203,727	3,336,664	3,540,391	19,518	3,338,548	3,358,066
Oil and Gas Revenues:									
Federal Lands.....		2,315,740	2,315,740		2,523,971	2,523,971		2,500,000	2,500,000
Other.....	409,417		409,417	416,029		416,029	434,392		434,392
Penalties and Interest on Unemployment Contributions.....		2,123,262	2,123,262		2,084,500	2,084,500		2,380,000	2,380,000
Penalties on Traffic Violations.....	8,065,608		8,065,608	9,703,350		9,703,350	11,000,000		11,000,000

Schedule 2—COMPARATIVE STATEMENT OF REVENUES; CASH BASIS, FISCAL YEARS 1965-66, 1966-67, AND 1967-68—Continued

Sources	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
OTHER REVENUES—Continued									
Penalties on Criminal Convictions.....		\$908,728	\$908,728			\$935,000		\$950,000	\$950,000
Revenues Collected by State Lands Division ^a	\$17,451,488	28,367,949	45,819,437	\$19,600,548	16,491,170	36,091,718	\$2,433,106	40,168,407	42,601,513
Secretary of State—Fees and Miscellaneous.....	2,019,331		2,019,334	1,985,743		1,985,743	2,010,304		2,010,304
State Fair and Exposition.....		2,184,486	2,184,486		10,302,055	10,302,055		7,590,199	7,590,199
Received from Health Care Deposit Fund.....	10,891,571		10,891,571	26,882,386		26,882,386	26,882,386		26,882,386
Transportation Rate Fees.....		4,129,959	4,129,959		4,340,000	4,340,000		4,550,000	4,550,000
Transfers from Unclaimed Property Fund.....	2,562,895		2,562,895	941,000		941,000	1,570,000		1,570,000
Sales of State Property.....	2,223,579		2,223,579	2,198,810		2,198,810	2,178,810		2,178,810
Not Otherwise Classified.....	9,483,274	7,662,199	17,145,473	9,433,089	8,262,345	17,695,434	12,058,105	8,644,731	20,702,836
TOTAL, OTHER REVENUES.....	\$109,556,842	\$100,556,000	\$210,112,842	\$128,709,755	\$97,662,797	\$226,372,552	\$116,917,469	\$124,131,964	\$241,049,433
TOTALS, REVENUES.....	\$2,508,514,435	\$1,072,180,857	\$3,580,695,292	\$2,620,087,741	\$1,093,461,752	\$3,713,549,493	\$2,710,358,831	\$1,176,160,102	\$3,886,518,933
OTHER INCOME—TRANSFERS:									
California Water Fund.....	\$13,988,824	— \$13,988,824		\$5,424,670	— \$5,424,670				
School Land Fund ^b	13,525,070		13,525,070						
Sacramento State Building Interest and Sinking Fund ^b	1,751,825		1,751,825						
Department of Employment Contingent Fund.....	6,858,385	— 6,858,385		63,376	— 63,376		\$2,135,297	— \$2,135,297	
Central Valley Water Project Construction Fund ^b							2,557,863		\$2,557,863
Motor Vehicle Fund.....							3,132,105	— 3,132,105	
Water Resources Revolving Fund ^b							2,175,000		2,175,000
TOTAL, OTHER INCOME.....	\$36,124,104	— \$20,847,209	\$15,276,895	\$5,488,046	— \$5,488,046		\$10,000,265	— \$5,267,402	\$4,732,863
TOTAL INCOME.....	\$2,544,638,539	\$1,051,333,648	\$3,595,972,187	\$2,625,575,787	\$1,087,973,706	\$3,713,549,493	\$2,720,359,096	\$1,170,892,700	\$3,891,251,796

^a Includes oil royalties and bid bonuses.

^b Not recorded as a reduction in special funds as these funds are not governmental cost funds and receipts are not included in budget totals.

Schedule 2A

COMPARATIVE STATEMENT OF REVENUES; CASH BASIS 1965-66, ACCRUAL BASIS FOR FISCAL YEARS 1966-67 AND 1967-68

Sources	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
MAJOR TAXES AND LICENSES:									
Alcoholic Beverage Control Taxes and Licenses:									
Excise Tax on Beer and Wine	\$12,605,822		\$12,605,822	\$14,700,000		\$14,700,000	\$14,240,000		\$14,240,000
Excise Tax on Distilled Spirits	56,717,799		56,717,799	65,950,000		65,950,000	64,350,000		64,350,000
Liquor License Fees	3,449,523	\$11,428,428	14,877,951	3,445,000	\$11,745,000	15,190,000	3,480,000	\$12,000,000	15,480,000
Bank and Corporation Taxes	435,596,928		435,596,928	476,500,000		476,500,000	454,000,000		454,000,000
Cigarette Tax	74,578,237		74,578,237	78,200,000		78,200,000	77,050,000		77,050,000
Gift Tax	9,954,920		9,954,920	10,200,000		10,200,000	10,050,000		10,050,000
Horse Racing (Parimutuel) License Fees	38,383,266	9,059,338	47,442,604	40,031,545	9,869,455	49,901,000	44,991,362	9,206,638	54,198,000
Inheritance Tax	113,825,662		113,825,662	142,500,000		142,500,000	127,500,000		127,500,000
Insurance Gross Premiums Tax	100,854,017		100,854,017	136,900,000		136,900,000	117,300,000		117,300,000
Motor Vehicle License Fees ("In Lieu" Tax)	187,251,060		187,251,060	193,120,000		193,120,000	203,005,000		203,005,000
Motor Vehicle Fuel Tax—Gasoline	519,888,201		519,888,201		610,530,500	610,530,500	544,114,500		544,114,500
Diesel and Liquid Petroleum Gas	31,220,203		31,220,203		34,240,000	34,240,000		33,900,000	33,900,000
Motor Vehicle Registration and Other Fees	195,404,713		195,404,713	211,615,000		211,615,000	234,315,000		234,315,000
Motor Vehicle Transportation Tax	17,372,914		17,372,914	21,340,000		21,340,000		19,925,000	19,925,000
Personal Income Tax	454,624,593		454,624,593	638,900,000		638,900,000	554,100,000		554,100,000
Private Car Tax	2,204,960		2,204,960	2,481,441		2,481,441	2,700,000		2,700,000
Retail Sales and Use Taxes	1,096,161,866		1,096,161,866	1,234,700,000		1,234,700,000	1,138,600,000		1,138,600,000
TOTALS, MAJOR TAXES AND LICENSES	\$2,398,957,593	\$971,624,857	\$3,370,582,450	\$2,844,507,986	\$1,092,459,955	\$3,936,967,941	\$2,608,361,362	\$1,056,526,138	\$3,664,887,500
OTHER REVENUES:									
Architecture Public Building Fund									
Corporation—Licenses, Permits and Examination Fees		\$1,533,282	\$1,533,282		\$1,558,000	\$1,558,000		\$1,565,000	\$1,565,000
County Board Charges:									
Mental Hygiene Patients	3,790,906		3,790,906	3,790,906		3,790,906	3,800,000		3,800,000
Youth Authority Wards	1,690,468		1,690,468	1,690,468		1,690,468	1,901,700		1,901,700
Pay Patients Board Charges and Clinic Fees:									
Mental Hygiene Patients	16,007,196		16,007,196						
Clinic Fees	261,900		261,900	21,752,500		21,752,500	16,306,000		16,306,000
Department of Agriculture	97,184	9,110,119	9,207,303	100,000	10,122,403	10,220,914	105,500	9,904,043	105,500
Professional and Vocational Standards	148,508	9,398,007	9,546,515	98,511	8,551,878	8,679,203	97,465	9,001,013	10,001,508
Division of Real Estate		3,357,621	3,357,621	127,385	3,883,319	3,883,319	121,290	11,472,419	11,593,709
Fishing and Hunting Licenses		12,019,688	12,019,688		12,386,307	12,386,307		3,976,417	3,976,417
Insurance Fund		3,295,123	3,295,123					12,652,254	12,652,254
Interest on Investments:									
California Water Fund		636,750	636,750		636,750	636,750		636,750	636,750
Pooled Money Investments	29,899,490		29,899,490	31,936,242		31,936,242	32,521,825		32,521,825
Surplus Money Investments		7,338,525	7,338,525		8,380,983	8,380,983		8,981,744	8,981,744
Condemnation Deposit Investments	71,209	1,231,750	1,302,959	77,500	1,108,452	1,185,952	73,000	1,108,452	1,181,452
Other Interest Income	693,847	4,942,812	5,636,659	203,727	3,336,664	3,540,391	19,518	3,338,548	3,358,066
Oil and Gas Revenues:									
Federal Lands		2,315,740	2,315,740		2,523,971	2,523,971		2,500,000	2,500,000
Other	409,417		409,417	416,029		416,029	434,392		434,392
Penalties and Interest on Unemployment Contributions		2,123,262	2,123,262		2,084,560	2,084,560		2,380,000	2,380,000
Penalties on Traffic Violations	8,065,608		8,065,608	9,703,350		9,703,350	11,000,000		11,000,000
Penalties on Criminal Convictions		908,728	908,728		935,000	935,000		950,000	950,000
Revenues Collected by State Lands Division ^a	17,451,488	28,367,949	45,819,437	20,482,190	20,354,528	40,836,718	2,433,106	40,863,407	43,296,513

^a Includes oil royalties and bid bonuses.

**Schedule 2A—COMPARATIVE STATEMENT OF REVENUES; CASH BASIS 1965-66, ACCRUAL BASIS
FOR FISCAL YEARS 1966-67 AND 1967-68—Continued**

Sources	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
OTHER REVENUES—Continued									
Secretary of State—Fees and Miscellaneous.....	\$2,019,334		\$2,019,334	\$1,985,743		\$1,985,743	\$2,010,304		\$2,010,304
State Fair and Exposition.....		\$2,184,486	2,184,486			2,184,486			2,184,486
Received from Health Care Deposit Fund.....	10,891,571		10,891,571	26,882,386		26,882,386	26,882,386		26,882,386
Transportation Rate Fees.....		4,129,959	4,129,959			4,129,959			4,129,959
Transfers from Unclaimed Property Fund.....	2,562,895		2,562,895	941,000		941,000	1,570,000		1,570,000
Sales of State Property.....	2,223,579		2,223,579	2,198,810		2,198,810	2,178,810		2,178,810
Not Otherwise Classified.....	9,483,274	7,662,199	17,145,473	9,533,089	9,932,345	19,465,434	12,058,105	8,721,731	20,779,836
TOTAL, OTHER REVENUES.....	\$109,556,842	\$100,556,000	\$210,112,842	\$135,991,397	\$104,524,155	\$240,515,552	\$117,527,469	\$124,969,964	\$242,497,433
TOTALS, REVENUES.....	\$2,508,514,435	\$1,072,180,857	\$3,580,695,292	\$2,980,499,383	\$1,196,984,110	\$4,177,483,493	\$2,725,888,831	\$1,181,496,102	\$3,907,384,933
OTHER INCOME—TRANSFERS:									
California Water Fund.....	13,988,824	—13,988,824		7,499,670	—7,499,670				
School Land Fund ^b	13,525,070		13,525,070						
Sacramento State Building Interest and Sinking Fund ^b	1,751,825		1,751,825						
Department of Employment Contingent Fund.....	6,858,385	—6,858,385		63,376	—63,376		2,135,297	—2,135,297	
Central Valley Water Project Construction Fund ^b							2,557,863		2,557,863
Motor Vehicle Fund.....							3,132,105	—3,132,105	
Water Resources Revolving Fund.....							2,175,000		2,175,000
TOTAL, OTHER INCOME.....	\$36,124,104	—\$20,847,209	\$15,276,895	\$7,563,046	—\$7,563,046		\$10,000,265	—\$5,267,402	\$4,732,863
TOTAL INCOME.....	\$2,544,638,539	\$1,051,333,648	\$3,595,972,187	\$2,988,062,429	\$1,189,421,064	\$4,177,483,493	\$2,735,889,096	\$1,176,228,700	\$3,912,117,796
LESS:									
TOTAL INCOME, SCHEDULE 2.....	\$2,544,638,539	\$1,051,333,648	\$3,595,972,187	\$2,625,575,787	\$1,087,973,706	\$3,713,549,493	\$2,720,359,096	\$1,170,892,700	\$3,891,251,796
ACCRUED INTEREST EXPENSE									
State Construction Program Fund Bonds.....				11,590,599		11,590,599	2,269,045		2,269,045
State School Building Aid Fund Bonds.....				5,706,749		5,706,749	520,824		520,824
State Beach, Park, Recreational and Historical Facilities Bonds.....				1,006,964		1,006,964	322,951		322,951
TOTAL ACCRUED INTEREST EXPENSE.....				\$18,304,312		\$18,304,312	\$3,112,820		\$3,112,820
NET ADJUSTMENT TO ACCRUED INCOME.....				\$344,182,330	\$101,447,358	\$445,629,688	\$12,417,180	\$5,336,000	\$17,753,180

^b Not recorded as a reduction in Special Funds since these are not governmental cost funds and receipts are not included in budget totals.

Schedule 3

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND
FOR FISCAL YEARS 1965-66, 1966-67, AND 1967-68

Page Ref- er- ence	Organization Unit	Actual 1965-66			Estimated 1966-67			Estimated 1967-68			
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund Net Adjustment	General Fund Adjusted	Special Funds	Total
1 4 5 6 7	SUPPORT	\$11,857,132	— \$1,018,474	\$10,838,658	\$14,225,745	\$287,053	\$14,512,798	+\$710,012	\$15,460,349	\$467,517	\$15,936,860
		758,517	—	758,517	1,028,103	—	1,028,103	—54,649	1,058,255	—	1,058,255
		120,992	—	120,992	155,776	—	155,776	—15,181	136,651	—	136,651
		8,813	—	8,813	10,050	—	10,050	—	11,500	—	11,500
		360,000	—	360,000	370,000	—	370,000	—	510,000	—	510,000
		\$13,105,454	— \$1,018,474	\$12,086,980	\$15,789,074	\$287,053	\$16,076,727	+\$640,179	\$17,185,785	\$467,517	\$17,653,302
		Totals, Legislative.....									
8 9 10 11 12 13 14 15 17	JUDICIAL	\$1,169,414	—	\$1,169,414	\$1,245,102	—	\$1,245,102	— \$125,845	\$1,206,572	—	\$1,206,572
		580,825	—	580,825	637,948	—	637,948	—47,663	576,761	—	576,761
		26,930	—	26,930	37,408	—	37,408	—2,841	36,397	—	36,397
		640,404	—	640,404	855,821	—	855,821	—80,147	813,093	—	813,093
		880,068	—	880,068	1,123,630	—	1,123,630	—71,062	1,160,167	—	1,160,167
		250,246	—	250,246	265,351	—	265,351	—27,409	268,830	—	268,830
		360,079	—	360,079	605,674	—	605,674	—35,125	468,188	—	468,188
		219,020	—	219,020	235,224	—	235,224	—10,238	218,500	—	218,500
		95,771	—	95,771	107,846	—	107,846	—	111,680	—	111,680
		\$4,223,357	—	\$4,223,357	\$5,014,004	—	\$5,014,004	— \$409,380	\$4,860,193	—	\$4,860,193
		Totals, Judicial.....									
18 20 21 22 25 26 29 30	EXECUTIVE	\$1,062,203	—	\$1,062,203	\$1,230,237	—	\$1,230,237	— \$126,111	\$1,135,001	—	\$1,135,001
		100,000	—	100,000	25,000	—	25,000	—	—	—	—
		87,453	—	87,453	110,111	—	110,111	—11,057	107,995	—	107,995
		56,102	—	56,102	206,349	—	206,349	—34,467	310,203	—	310,203
		96,195	—	96,195	101,920	—	101,920	—6,067	97,555	—	97,555
		1,091,773	—	1,091,773	1,167,135	—	1,167,135	—11,403	1,158,763	—	1,158,763
		42,417	—	42,417	50,000	—	50,000	—4,100	45,900	—	45,900
		134,475	—	134,475	130,583	—	130,583	—10,009	132,165	—	132,165
		\$2,670,678	—	\$2,670,678	\$3,021,335	—	\$3,021,335	— \$209,219	\$2,937,612	—	\$2,937,612
		Totals, Executive.....									

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Page Ref- er- ence	Organization Unit	Actual 1965-66			Estimated 1966-67			Estimated 1967-68			
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	General Fund Net Adjustment	Special Funds	Total
SUPPORT—Continued											
ADMINISTRATIVE:											
General Administration:											
31	State Employees' Retirement System.....	\$20,000	-----	\$20,000	\$25,000	-----	\$25,000	\$25,000	-\$2,500	-----	\$22,500
37	Department of General Services.....	6,496,510	\$17,881	6,614,391	7,822,392	\$14,211	7,836,603	5,557,700	-165,783	\$14,469	5,391,917
37	Augmentation of Service Revolving Fund.....	581,717	-----	581,717	1,841,567	-----	1,841,567	475,465	-----	-----	475,465
37	Office of Architecture and Construction.....	-----	1,488,865	1,488,865	-----	1,570,723	1,570,723	-----	-----	1,570,707	1,570,707
68	State Exposition and Fair Executive Committee.....	252,519	-----	252,519	201,808	-----	201,808	195,959	-----	-----	105,959
69	State Fair and Exposition.....	426,025	2,489,364	2,915,380	500,131	2,084,799	2,674,930	300,183	-14,515	2,731,064	285,668
76	Capital Building and Planning Commission.....	2,452	-----	2,452	2,500	-----	2,500	2,500	-250	-----	2,250
76	Commission on California State Government Organization and Economy.....	42,066	-----	42,066	56,719	-----	56,719	56,809	-3,664	-----	53,145
77	Commission on Interstate Cooperation.....	65,999	-----	65,999	67,735	-----	67,735	74,620	-----	-----	74,620
78	Personnel Board.....	4,070,847	-----	4,070,847	4,612,895	-----	4,612,895	4,833,734	-253,715	-----	4,580,019
85	Secretary of State.....	1,018,216	-----	1,018,216	1,398,202	-----	1,398,202	1,119,924	-100,597	-----	1,019,327
89	California Heritage Preservation Commission.....	-----	-----	-----	1,000	-----	1,000	-----	-----	-----	-----
Totals, General Administration.....		\$12,976,351	\$3,996,110	\$16,972,461	\$16,619,949	\$3,669,733	\$20,289,682	\$12,646,894	-\$555,024	\$4,316,240	\$16,408,110
Agriculture:											
00	Department of Agriculture.....	\$12,067,246	\$9,402,241	\$21,469,487	\$12,958,898	\$10,280,335	\$23,239,233	\$13,152,656	-\$1,292,773	\$10,361,397	\$22,311,280
105	District Agricultural Associations.....	-----	3,305,700	3,305,700	-----	3,329,800	3,329,800	-----	-----	3,061,800	3,061,800
106	Museum of Science and Industry.....	372,905	421,045	793,950	445,934	551,430	997,414	445,934	+16,472	450,443	912,449
110	Poultry Improvement Commission.....	750,936	9,899	84,985	75,086	36,499	111,585	30,654	-2,303	82,941	111,292
Totals, Agriculture.....		\$12,515,237	\$13,138,885	\$25,654,122	\$13,479,918	\$14,108,114	\$27,678,032	\$13,629,244	-\$1,188,604	\$13,956,581	\$26,397,221
Corrections:											
112	Youth and Adult Corrections Agency.....	\$69,620	-----	\$69,620	\$84,109	-----	\$84,109	\$91,823	-\$8,958	-----	\$82,865
123	Department of Corrections:	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
123	Departmental Administration.....	10,735,672	-----	10,735,672	12,442,658	-----	12,442,658	11,838,221	-741,426	-----	11,096,795
132	Institutions for Felons.....	58,162,993	-----	58,162,993	63,975,673	-----	63,975,673	66,119,067	-6,061,325	-----	60,057,742
138	Nonfelon Narcotic Program.....	5,627,626	-----	5,627,626	6,510,475	-----	6,510,475	6,736,472	-612,682	-----	6,123,790
Totals, Department of Corrections.....		\$74,526,261	-----	\$74,526,261	\$82,928,806	-----	\$82,928,806	\$84,693,760	-\$7,415,433	-----	\$77,278,327
142	Department of the Youth Authority.....	\$31,832,418	-----	\$31,832,418	\$38,589,681	-----	\$38,589,681	\$40,678,596	-\$2,802,601	-----	\$37,875,995
Totals, Corrections.....		\$106,478,299	-----	\$106,478,299	\$121,602,596	-----	\$121,602,596	\$125,464,170	-\$10,226,992	-----	\$115,237,187
Education:											
161	Department of Education:	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
162	Educational Commission of the States.....	-----	-----	-----	\$7,800	-----	\$7,800	\$22,800	-----	-----	\$22,800
162	Department of Education.....	\$3,696,055	-----	\$3,696,055	4,283,243	-----	4,283,243	4,396,945	-\$293,913	-----	4,103,032
177	National Defense Education.....	322,497	-----	322,497	376,154	-----	376,154	392,551	-36,991	-----	355,560
181	Elementary and Secondary Education Act.....	20,029	-----	20,029	103,343	-----	103,343	225,059	-6,418	-----	218,641

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Page Ref- er- ence	Organization Unit	Actual 1965-66			Estimated 1966-67			Estimated 1967-68				
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	General Fund Net Adjustment	General Fund Adjusted	Special Funds	Total
	SUPPORT—Continued											
	Education—Continued											
	Department of Education—Continued											
	Special Schools for Physically Handicapped Chil- dren:											
191	School for the Blind.....	\$836,004	-----	\$836,004	\$880,556	-----	\$880,556	\$894,054	—\$82,520	\$812,134	-----	\$812,134
103	School for Cerebral Palsied Children, Northern California.....	504,747	-----	504,747	507,874	-----	507,874	618,447	—56,330	562,117	-----	562,117
195	School for Cerebral Palsied Children, Southern California.....	496,506	-----	496,506	557,821	-----	557,821	575,814	—40,325	525,489	-----	525,489
197	School for the Deaf, Berkeley.....	2,060,008	-----	2,060,008	2,080,069	-----	2,080,069	2,100,193	—170,351	1,932,847	-----	1,932,847
206	School for the Deaf, Riverside.....	2,133,212	-----	2,133,212	2,222,888	-----	2,222,888	2,255,342	—207,713	2,047,629	-----	2,047,629
	Totals, Special Schools.....	\$5,970,477	-----	\$5,979,477	\$6,348,211	-----	\$6,348,211	\$6,453,755	—\$72,539	\$5,881,216	-----	\$5,881,216
205	Vocational Education.....	\$718,491	-----	\$718,491	\$844,037	-----	\$844,037	\$897,570	—\$66,086	\$830,584	-----	\$830,584
	Totals, Department of Education.....	\$10,766,519	-----	\$10,766,519	\$11,062,788	-----	\$11,062,788	\$12,358,680	—\$976,817	\$11,381,833	-----	\$11,381,833
211	Division of Libraries.....	\$1,273,461	-----	\$1,273,461	\$1,441,291	-----	\$1,441,291	\$1,663,611	—\$132,160	\$1,531,421	-----	\$1,531,421
215	State Teachers' Retirement System.....	621,771	-----	621,771	1,103,367	-----	1,103,367	1,090,046	—40,385	1,039,661	-----	1,039,661
	Totals, Education.....	\$12,961,721	-----	\$12,961,721	\$14,507,476	-----	\$14,507,476	\$15,102,337	—\$1,149,422	\$13,952,915	-----	\$13,952,915
	Higher Education:											
217	Co-ordinating Council for Higher Education.....	\$353,512	-----	\$353,512	\$490,834	-----	\$490,834	\$566,789	—\$38,229	\$468,560	-----	\$468,560
222	University of California.....	204,269,996	\$226,060	204,495,996	240,385,242	\$285,606	240,670,242	243,227,486	—45,680,659	196,537,527	\$285,060	196,822,527
	General Fund Workload Increase.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
	Less 10 Percent Reduction.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
	Less University Reserves and Overhead.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
	Less Tuition Fees.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
	Hastings College of the Law.....	486,354	-----	486,354	642,541	-----	642,541	654,203	—19,079	635,124	-----	635,124

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Page Ref- er- ence	Organization Unit	Actual 1965-66			Estimated 1966-67			Estimated 1967-68				
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	General Fund Net Adjustment	General Fund Adjusted	Special Funds	Total
251	SUPPORT—Continued											
	Higher Education—Continued											
	State Colleges.....	\$136,623,898		\$136,623,898	\$175,171,805		\$175,171,805	\$177,753,775	-\$23,507,545 (13,630,924)	\$154,246,230		\$154,246,230
	General Fund Workload Increase.....											
	Less 10 Percent Reduction.....											
	Less Tuition Fees.....											
379	Maritime Academy.....	\$563,478		\$563,478	\$618,356		\$618,356	\$626,814	-\$46,770	\$580,044		\$580,044
381	State Scholarship and Loan Commission.....	3,775,523		3,775,523	4,917,728		4,917,728	5,037,062	+524,203	5,581,265		5,581,265
	Totals, Higher Education.....	\$346,066,761	\$226,000	\$346,292,761	\$422,226,606	\$285,000	\$422,611,506	\$427,826,129	-\$69,777,379	\$358,048,760	\$285,000	\$358,333,750
384	Employment:											
	Department of Employment.....		\$449,838	\$449,838							\$499,644	\$499,644
397	Commission on Manpower, Automation and Technology.....										76,898	76,898
	Totals, Employment.....		\$449,838	\$449,838			\$896,601				\$576,542	\$576,542
399	Fiscal Affairs:											
	Board of Control.....	\$39,340		\$39,340	\$42,347		\$42,347	\$42,564	-\$638	\$41,926		\$41,926
400	State Controller.....	4,790,116	\$975,293	5,765,409	5,082,589	\$1,106,028	6,188,597	5,175,937	-424,150	4,751,787	1,147,272	5,899,059
408	Board of Equalization.....	18,332,589	2,122,390	20,454,979	19,668,450	2,205,761	21,874,211	19,957,209	-1,353,905	18,598,304	2,261,682	20,862,986
414	Department of Finance.....	3,005,135	94,342	3,099,477	3,814,984	125,547	3,940,531	3,945,410	-265,905	3,679,605	125,547	3,805,152
419	State Lands Division.....	1,014,121		1,014,121	1,442,182		1,442,182	1,534,326	-97,676	1,436,650		1,436,650
423	Franchise Tax Board.....	11,695,993		11,695,993	12,894,057		12,894,057	13,169,501	-1,086,167	12,083,334		12,083,334
427	Department of Housing and Community Development.....	1,019,066		1,019,066	1,805,361		1,805,361	1,790,192	-56,234	1,733,958		1,733,958
429	State Treasurer.....	447,849		447,849	488,892		488,892	517,415	-35,529	481,886		481,886
429	Augmentation of General Obligation Bond Expense Revolving Fund.....	75,000		75,000								
	Totals, Fiscal Affairs.....	\$40,419,709	\$3,192,025	\$43,611,734	\$45,239,142	\$3,437,336	\$48,676,478	\$46,132,654	-\$3,325,104	\$42,807,450	\$3,537,501	\$46,344,951
432	Health and Welfare:											
	Health and Welfare Agency.....	\$142,543		\$142,543	\$196,912		\$196,912	\$200,914	-\$17,250	\$183,664		\$183,664
456	California Commission on Aging.....	53,869		53,869	113,525		113,525	124,051	-12,405	111,646		111,646
457	Office of Atomic Energy Development and Radiation Protection.....	49,336		49,336	56,243		56,243	56,267	-2,259	54,008		54,008
464	Department of Mental Hygiene:											
	Departmental Administration.....	17,062,717		17,062,717	7,003,595		7,003,595	7,041,188	-528,232	6,512,956		6,512,956
477	Neuropsychiatric Institutes.....	7,727,047		7,727,047	8,326,042		8,326,042	8,476,208	-631,151	7,895,057		7,895,057
479	Hospitals for Mentally Ill.....	115,504,346		115,504,346	124,957,767		124,957,767	125,754,366	-12,494,093	113,260,273		113,260,273
483	Hospitals for Mentally Retarded.....	46,259,549		46,259,549	49,710,795		49,710,795	51,307,833	-4,965,794	46,342,039		46,342,039
	Totals, Department of Mental Hygiene.....	\$186,553,659		\$186,553,659	\$189,998,199		\$189,998,199	\$192,579,595	-\$18,569,270	\$174,010,325		\$174,010,325
486	Department of Public Health.....	\$12,303,000		\$12,303,000	\$12,889,234		\$12,889,234	\$12,861,931	-\$1,093,727	\$11,768,204		\$11,768,204

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Page Ref- er- ence		Organization Unit	Actual 1966-66			Estimated 1966-67			Estimated 1967-68					
			General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	General Fund Net Adjustment	General Fund Adjusted	Special Funds	Total	
SUPPORT—Continued														
Health and Welfare—Continued														
Department of Rehabilitation:														
607		General Activities.....	\$4,756,979		\$4,766,979	\$4,079,144		\$4,079,144	\$4,072,599	—\$290,825	\$3,781,974		\$3,781,974	
628		Special Rehabilitation Services.....				363,606		363,606	1,338,601	—133,600	1,202,941		1,202,941	
629		Industries for the Blind.....	369,292		369,292	331,613		331,613	334,041	—32,386	301,655		301,655	
634		Orientation Center for the Blind.....	105,738		105,738	81,154		81,154	88,423	—8,313	78,110		78,110	
Totals, Department of Rehabilitation.....			\$5,232,009		\$5,232,009	\$4,855,507		\$4,855,507	\$5,329,664	—\$184,984	\$5,384,680		\$5,384,680	
636		Department of Social Welfare.....	\$5,960,667		\$5,966,567	\$5,610,489		\$5,610,489	\$5,664,041	—\$259,121	\$5,374,920		\$5,374,920	
640		Division of Protective Social Services.....				8,995,233		8,995,233	9,548,498	—954,650	8,501,848		8,501,848	
Totals, Department of Social Welfare.....			\$5,966,667		\$5,966,567	\$14,605,722		\$14,605,722	\$15,210,539	—\$1,243,771	\$13,008,768		\$13,008,768	
Totals, Health and Welfare.....			\$210,301,583		\$210,301,583	\$222,715,342		\$222,715,342	\$226,862,961	—\$21,403,666	\$205,459,295		\$205,459,295	
Industrial Relations:														
543		Department of Industrial Relations.....	\$18,459,472	\$40,332	\$18,499,804	\$21,013,824	\$69,417	\$21,073,241	\$21,471,069	—\$1,803,765	\$19,887,294	\$59,417	\$19,926,711	
552		State Fire Marshal.....	692,976	125,299	818,275	866,375	125,000	991,375	885,540	—38,324	847,216	125,000	972,216	
554		Workmen's Compensation Study Commission.....	886		688									
Totals, Industrial Relations.....			\$19,153,134	\$165,831	\$19,318,765	\$21,880,199	\$184,417	\$22,064,616	\$22,368,699	—\$1,642,089	\$20,714,610	\$184,417	\$20,899,027	
Justice:														
655		Department of Justice.....	\$12,441,165		\$12,441,165	\$15,744,239		\$15,744,239	\$15,884,313	—\$561,343	\$15,322,970		\$15,322,970	
563		Commission on Peace Officer Standards and Training.....		\$83,786	83,788		\$105,344	105,344				\$111,775	111,775	
Totals, Justice.....			\$12,441,165	\$83,786	\$12,624,951	\$16,744,239	\$105,344	\$15,849,583	\$15,884,313	—\$561,343	\$16,322,970	\$111,775	\$15,434,745	
Military Affairs:														
686		Military Department.....	\$4,059,281		\$4,059,281	\$3,892,330		\$3,892,330	\$3,788,742	—\$187,980	\$3,600,762		\$3,600,762	
Regulation and Licensing:														
671		Department of Alcoholic Beverage Control.....	\$4,838,668		\$4,838,668	\$5,296,066		\$5,296,066	\$5,334,970	—\$475,254	\$4,859,716		\$4,859,716	
573		Alcoholic Beverage Control Appeals Board.....	123,276		123,276	128,845		128,845	128,628	—12,704	116,924		116,924	
674		District Securities Commission.....	182,354		182,354	216,747		216,747	187,024	—13,300	173,724		173,724	
676		Horse Racing Board.....		\$211,026	211,028	5,400	\$242,381	247,781				\$250,252	250,252	
Department of Investment:														
678		Banking Department.....		1,154,986	1,154,986		1,296,113	1,296,113				1,328,977	1,328,977	
680		Division of Corporations.....	3,214,853		3,214,853	3,688,345		3,688,345	3,642,939	—335,293	3,307,646		3,307,646	
682		Department of Insurance.....	110,000		110,000	112,300		112,300	112,300	—8,800	103,500		103,500	
686		Division of Real Estate.....		3,347,359	3,347,359		3,801,737	3,801,737				3,799,040	3,802,640	
690		Division of Savings and Loan.....		2,190,613	2,190,613		2,725,337	2,725,337				2,778,197	2,778,197	
Totals, Department of Investment.....			\$3,324,853	\$9,918,417	\$13,243,270	\$3,700,645	\$11,597,809	\$15,298,614	\$3,765,239	—\$344,033	\$3,411,148	\$11,701,921	\$15,113,070	
Board of Pilot Commissioners for Harbor of San Diego.....														
691			926		925	1,387		1,387	1,387	—139	1,248		1,248	

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Page Ref- er- ence	Organization Unit	Actual 1966-67			Estimated 1966-67			Estimated 1967-68				
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	General Fund Net Adjustment	General Fund Adjusted	Special Funds	Total
	SUPPORT—Continued											
	Regulation and Licensing—Continued											
	Board of Pilot Commissioners for Bays of San Francisco, San Pablo, and Suisun.....	692		\$24,659		\$24,659		\$30,216			\$30,216	
	Department of Professional and Vocational Standards:											
	Board of Accountancy.....	600		355,646		355,646		381,500			381,500	
	Board of Architectural Examiners.....	601		126,495		126,495		174,071			174,071	
	Athletic Commission.....	603	\$166,985		166,985		\$182,804		\$183,605	\$105,841		
	Board of Barber Examiners.....	604		338,610		338,610		380,896			380,896	
	Cemetery Board.....	606		70,222		70,222		72,614			72,614	
	Board of Chiropractic Examiners.....	607		106,805		106,805		113,861			113,861	
	Board of Registration for Civil and Professional Engineers.....	608		482,741		482,741		612,823			612,823	
	Collection Agency Licensing Bureau.....	610		171,460		171,460		189,740			189,740	
	Contractors' License Board.....	611		2,158,266		2,158,266		2,358,114			2,358,114	
	Board of Cosmetology.....	613		626,479		626,479		754,857			754,857	
	Board of Dental Examiners.....	614		180,643		180,643		192,984			192,984	
	Board of Dry Cleaners.....	616		312,070		312,070		349,736			349,736	
	Bureau of Electronic Repair Dealer Registration.....	617		245,292		245,292		287,040			287,040	
	Board of Funeral Directors and Embalmers.....	619		98,233		98,233		110,452			110,452	
	Bureau of Furniture and Bedding Inspection.....	620		581,740		581,740		670,439			670,439	
	Board of Guide Dogs for the Blind.....	622	1,778		1,778			2,515	2,514	2,294		
	Board of Landscape Architects.....	623		28,519		28,519		31,040			31,040	
	Bureau of Marriage Counselors.....	624		11,164		11,164		9,820			9,820	
	Board of Medical Examiners.....	625		717,436		717,436		1,226,332			1,226,332	
	Board of Nursing Education and Nurse Registration.....	628		563,279		563,279		645,952			645,952	
	Board of Optometry.....	630		68,164		68,164		75,672			75,672	
	Board of Osteopathic Examiners.....	631		13,585		13,585		8,638			8,638	
	Board of Pharmacy.....	633		490,262		490,262		532,693			532,693	
	Board of Private Investigators and Adjusters.....	634		113,689		113,689		119,412			119,412	
	Certified Shorthand Reporters Board.....	635		27,603		27,603		33,320			33,320	
	Board of Social Work Examiners.....	637		30,458		30,458		34,522			34,522	
	Structural Pest Control Board.....	638		474,175		474,175		497,677			497,677	
	Board of Examiners in Veterinary Medicine.....	640		51,952		51,952		56,720			56,720	
	Board of Vocational Nurse Examiners.....	641		174,599		174,599		235,155			235,155	
	Yacht and Ship Brokers Commission.....	644		25,768		25,768		28,885			28,885	
	Totals, Department of Professional and Vocational Standards.....		\$168,763	\$8,644,255	\$8,813,018	\$186,319		\$10,154,995	\$186,119	\$168,135	\$10,010,228	\$10,187,363
	Public Utilities Commission.....	640	\$4,912,040	\$4,484,493	\$9,396,533	\$5,524,980		\$4,904,281	\$5,541,500	\$5,241,202	\$4,971,848	\$10,213,050
	Totals, Regulation and Licensing.....		\$13,550,779	\$23,232,850	\$36,833,629	\$15,059,389		\$26,920,742	\$15,134,957	\$13,971,095	\$26,060,550	\$40,940,645

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Page Ref- er- ence	Organization Unit	Actual 1965-66			Estimated 1966-67			Estimated 1967-68					
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	General Fund Net Adjustment	General Fund Adjusted	Special Funds	Total	
SUPPORT—Continued													
Resources:													
653	Resources Agency.....	\$161,555		\$161,555	\$167,655		\$167,655	\$159,958	—\$10,504	\$149,454		\$149,454	
655	Department of Conservation.....	33,908,919	\$1,039,724	34,948,643	36,756,335	\$1,145,548	37,901,883	30,806,480	—2,448,568	34,417,012	\$1,161,894	35,579,806	
672	Department of Fish and Game.....		12,108,810	12,108,810	70,279	13,176,135	13,246,414	74,559	—7,460	67,139	13,267,247	13,334,386	
701	Marine Research Committee.....		89,212	89,212		87,190	87,190				87,190	87,190	
702	Wildlife Conservation Board.....		80,822	80,822		100,217	100,217				100,217	100,217	
703	Department of Harbors and Watercraft.....				4,335		4,335	5,780	—578	5,202		5,202	
706	Department of Parks and Recreation.....	14,848,793		14,848,793	15,107,952		15,107,952	15,436,049	—563,511	14,872,538		14,872,538	
712	Department of Water Resources.....	10,902,565		10,902,565	11,386,914		11,386,914	11,615,454	—1,040,540	10,474,914		10,474,914	
773	State Water Rights Board.....	1,007,748		1,007,748	1,153,359		1,153,359	1,168,462	—107,826	1,060,636		1,060,636	
775	Reclamation Board.....	371,855		371,855	150,296		150,296						
777	Colorado River Board.....	225,683		225,683	263,312		263,312	267,276	—24,782	242,494		242,494	
779	Colorado River Boundary Commission.....	5,671		5,671									
779	Water Quality Control Board.....	1,026,039		1,026,039	2,466,946		2,466,946	2,393,356	+240,967	2,634,353		2,634,353	
783	Goose Lake Compact Commission.....				1,800		1,800						
783	California Advisory Committee.....	1,550		1,550	5,000		5,000	6,750	—675	6,075		6,075	
784	Klamath River Compact Commission.....				9,210		9,210						
785	Lake Tahoe Joint Study Committee.....	14,062		14,062	25,938		25,938						
786	California-Nevada Interstate Compact Commission.....	34,609		34,609	20,524		20,524	14,927	—1,493	13,434		13,434	
	San Francisco Bay Conservation and Development Commission.....	162,177		162,177	243,924		243,924	234,924	—3,927	230,997		230,997	
Totals, Resources.....		\$62,671,126	\$13,318,668	\$75,989,694	\$67,923,808	\$14,500,990	\$82,432,808	\$68,144,045	—\$3,068,897	\$64,176,148	\$14,616,548	\$78,791,096	
Transportation:													
789	Transportation Agency.....		\$67,261	\$67,261		\$86,441	\$86,441				\$87,240	\$87,240	
790	Department of the California Highway Patrol.....		53,551,162	53,551,162		73,236,093	73,236,093				75,465,575	75,465,575	
794	Department of Motor Vehicles.....		44,108,117	44,108,117		52,012,077	52,012,077				53,961,280	53,961,280	
819	Department of Public Works.....	\$30,000	80,728,823	80,758,823		90,638,399	90,638,399				91,458,042	91,458,042	
820	Division of Aeronautics.....	33,435	138,864	172,299		200,944	200,944				196,120	196,120	
Totals, Transportation.....		\$63,435	\$178,594,227	\$178,657,662		\$216,173,964	\$216,173,964				\$221,168,257	\$221,168,257	
Veterans Affairs:													
	Department of Veterans Affairs.....												
822	General Activities.....	\$2,773,816		\$2,773,816	\$2,627,264		\$2,627,264	\$2,655,125	+ \$318,605	\$2,973,730		\$2,973,730	
828	Veterans' Home of California.....	4,125,790		4,125,790	4,630,673		4,630,673	4,688,386	—358,362	4,330,024		4,330,024	
830	Woman's Relief Corps Home.....	4,596		4,596									
831	United Spanish War Veterans Commission.....	3,086		3,086	4,000		4,000	4,000	—400	3,600		3,600	
Totals, Veterans Affairs.....		\$6,907,288		\$6,907,288	\$7,261,937		\$7,261,937	\$7,347,511	—\$40,157	\$7,307,364		\$7,307,364	
Poverty Reduction:													
832	Poverty Reduction and Prevention Program.....				\$3,087,060	\$1,567,207	\$4,654,267	\$180,672		\$180,672		\$180,672	

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Page Ref- er- ence	Organization Unit	Actual 1965-66			Estimated 1966-67			Estimated 1967-68				
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	General Fund Net Adjustment	General Fund Adjusted	Special Funds	Total
	SUPPORT—Continued											
	Miscellaneous:											
844	Advisory Commission on Indian Affairs.....	\$31,630		\$31,630	\$44,308		\$44,308	\$46,072	—\$1,645	\$44,427		\$44,427
845	Advisory Commission on the Status of Women.....	27,066		27,066	52,942		52,942	161,230	—15,502	145,728		145,728
846	California Arts Commission.....	149,599		149,599	159,370		159,370	30,875	—1,490	29,385		29,385
848	Commission of the California.....	8,123		8,123	30,900		30,900	2,800	—280	2,520		2,520
849	Board of Commissioners for Humboldt Bay.....	2,800		2,800	977,719		977,719	1,092,999		1,092,999		1,092,999
850	Personal Services Not Elsewhere Reported.....	866,171		866,171	20,000		20,000	20,000		20,000		20,000
853	Refunds of Taxes, Licenses, and Other Fees.....	13,733		13,733	198,554		198,554	194,317	—16,490	177,827		177,827
855	World Trade Authorities Coordinating Council.....	113,102		113,102	80,113		80,113	79,114	—5,521	73,593		73,593
855	San Francisco World Trade Center Authority.....	72,601		72,601	52,471		52,471	50,268	—3,153	47,115		47,115
856	Southern California World Trade Center Authority.....	41,920		41,920	247,121		247,121	328,191	—32,819	295,372		295,372
857	Migrant Master Plan.....	124,372		124,372								
	Totals, Miscellaneous.....	\$1,451,117		\$1,451,117	\$1,866,298		\$1,866,298	\$2,005,866	—\$76,900	\$1,928,966		\$1,928,966
	Debt Service:											
859	Bond Interest and Redemption.....	\$37,292,944		\$37,292,944	\$51,330,866		\$51,330,866	\$62,533,700		\$62,533,700		\$62,533,700
861	Payment of Interest on General Fund Loans.....	1,517,396		1,517,396	10,258,084		10,258,084	15,865,241		15,865,241		15,865,241
	Totals, Debt Service.....	\$38,810,340		\$38,810,340	\$61,588,950		\$61,588,950	\$78,398,941		\$78,398,941		\$78,398,941
	Unallocated:											
861	Provision for Salary Increases.....				\$1,727,385		\$1,727,385	\$8,649,599		\$8,649,599	\$26,533	\$8,676,132
863	Reserve for Contingencies.....				489,927		489,927	1,000,000		1,000,000		1,000,000
	Administration and Payment of Tort Liability											
872	Claims.....	\$6,452,278		\$6,452,278	400,000		400,000	400,000		400,000		400,000
872	Legislative Claims.....	80,901	\$16,491	97,392	211,351	55,388	266,739	48,888		48,888	10,027	58,915
	Workers' Compensation Benefits for State Em-											
	ployees.....											
874	Workers' Compensation Benefits for Subsequent	3,177,270		3,177,270	3,500,000		3,500,000					
	Injuries.....											
874	Workers' Compensation Benefits for Subsequent	864,822		864,822	1,050,000		1,050,000	1,150,000		1,150,000		1,150,000
	Totals, Unallocated.....	\$10,575,271	\$16,491	\$10,591,762	\$7,378,663	\$71,319	\$7,449,982	\$11,248,487		\$11,248,487	\$36,560	\$11,285,047
	Credits to General Fund for Overhead Services Charged											
	to Agencies Supported from Special Funds.....	—\$8,089,922		—\$8,089,922	—\$8,900,000		—\$8,900,000	—\$8,900,000	+\$890,000	—\$8,010,000		—\$8,010,000
	Estimated Unidentifiable Savings.....				—20,000,000		—20,000,000	—7,500,000		—7,500,000		—7,500,000
	TOTALS, SUPPORT.....	\$923,312,164	\$235,445,937	\$1,158,758,101	\$1,056,998,815	\$252,314,910	\$1,309,313,725	\$1,100,754,441	—\$114,343,839	\$986,410,602	\$256,226,488	\$1,272,637,090

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Ref-er-ence	Actual 1965-66			Estimated 1966-67			Estimated 1967-68				
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	General Fund Net Adjustment	General Fund Adjusted	Special Funds	Total
LOCAL ASSISTANCE												
SUBVENTIONS:												
Agriculture:												
Assistance to County Agricultural Fairs and Citrus Fruit Fairs.....	875		\$2,376,657	\$2,376,657			\$3,876,520	\$3,876,520			\$2,830,000	\$2,830,000
Salaries of County Agricultural Commissioners.....	876	\$171,567		171,567	\$171,600		171,600					171,600
Assistance to Cities and Counties for land under contract.....	876											10,000
Totals, Agriculture.....		\$171,567	\$2,376,657	\$2,548,224	\$171,600	\$3,876,520	\$4,048,120	\$181,600			\$2,830,000	\$3,011,600
Corrections:												
Assistance to Counties for Construction of Juvenile Homes and Camps.....	877	\$200,839		\$200,839	\$653,858		\$653,858	\$701,942				\$701,942
Assistance to Counties for Maintenance of Juvenile Homes and Camps.....	877	3,008,452		3,008,452	3,142,000		3,142,000	3,142,000				3,142,000
Assistance for Control of Juveniles.....	878	44,555		44,555	45,500		45,500	45,500				45,500
Assistance to County Delinquency Prevention Commissions.....	878				50,000		50,000	50,000				50,000
Assistance to Counties for Special Probation Supervision Programs.....	878							3,000,000				3,000,000
Totals, Corrections.....		\$3,343,846		\$3,343,846	\$3,891,358		\$3,891,358	\$6,939,442				\$6,939,442
Education:												
Apportionments for Public Schools.....	880	\$994,484,780	\$2,803,495	\$997,288,275	\$1,096,023,111	\$2,884,307	\$1,099,507,918	\$1,103,803,600			\$2,900,000	\$1,100,703,600
Compensatory Education.....	883	004,065		904,065	12,472,641		12,472,641	10,000,000				10,000,000
Junior College Assistance.....	884				350,000		350,000					
Children's Centers.....	885	7,274,679		7,274,679	7,833,702		7,833,702	7,833,702				7,833,702
Contributions to Teachers' Retirement Fund.....	886	50,750,000		50,750,000	61,000,000		61,000,000	52,000,000				52,000,000
Grants to Teachers of Physically Handicapped Minors.....	887				150,000		150,000	150,000				150,000
Debt Service on Public School Building Bonds.....	888	50,110,455		50,110,455	52,402,000		52,402,000	55,742,491				55,742,491
Free Textbooks.....	892	7,253,421		7,253,421	18,614,763		18,614,763	21,585,649				21,585,649
Assistance to Public Libraries.....	894	800,073		800,073	1,000,000		1,000,000	800,000				800,000
School Building Construction.....	890		571,359	571,359		409,471	409,471					
Vocational Education--Reimbursements to School Districts.....	897	230,271		230,271	1,430,271		1,430,271	1,430,271				1,430,271
Totals, Education.....		\$1,120,907,744	\$3,374,954	\$1,124,182,598	\$1,251,906,557	\$3,204,278	\$1,255,260,865	\$1,253,345,713			\$2,900,000	\$1,256,245,713
Health and Welfare:												
Mental Hygiene												
Assistance to Local Agencies for Mental Health Services.....	000	\$14,033,080		\$14,033,080	\$18,600,733		\$18,600,733	\$19,350,000				\$19,350,000
Public Health												
Assistance to Counties for Care of Crippled Children.....	013	9,782,198		9,782,198	9,440,763		9,440,763	9,440,763				9,440,763
Assistance to Counties for Tuberculosis Sanatoria.....	014	3,164,260		3,164,260	2,881,202		2,881,202	2,787,276				2,787,276

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Page Ref- er- ence	Organization Unit	Actual 1965-66			Estimated 1966-67			Estimated 1967-68				
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	General Fund Net Adjustment	General Fund Adjusted	Special Funds	Total
	LOCAL ASSISTANCE—Continued											
	SUBVENTIONS—Continued											
	Health and Welfare—Continued											
	Public Health—Continued											
	Assistance to Counties without Local Health De-											
	partments.....	\$472,779		\$472,770	\$517,824		\$517,824	\$476,282				\$476,282
915	Assistance to Local Health Departments.....	4,490,720		4,499,729	4,605,777		4,605,777	4,605,777				4,605,777
916	Assistance to Counties for Cnat Control.....	50,000		50,000	50,000		50,000					
	Assistance to Counties for Treatment of Physi-											
	cally Handicapped Children.....											
916	Assistance to Local Agencies for Alcoholism Pro-	1,085,090		1,985,690	1,847,435		1,847,435	1,916,434				1,916,434
917	grams.....											
	Assistance to Local Agencies for Mental Retarda-											
	tion Services.....				1,244,728		1,244,728					
917	Assistance to Local and Nonprofit Agencies for				1,513,000		1,513,000	1,513,000				1,513,000
	Hospital Construction.....	15,248,781		15,248,781	21,985,079		21,985,079	18,863,865				18,863,865
918	Totals, Public Health.....	\$35,203,437		\$35,203,437	\$44,085,808		\$44,085,808	\$39,603,397				\$39,603,397
	Social Welfare:											
	Public Assistance Programs:											
920	Aid to Blind.....	\$10,009,062		\$10,009,062	\$7,157,400		\$7,157,400	\$7,291,000				\$7,291,000
920	Aid to Potentially Self-Supporting Blind.....	108,598		108,598	230,300		230,300	401,600				401,600
921	Aid to Disabled.....	57,615,322		57,615,322	59,100,600		59,100,600	68,314,900				68,314,900
921	Aid to Families with Dependent Children.....	130,050,329		130,056,329	144,732,800		144,732,800	181,675,700				181,675,700
921	Old Age Security.....	150,766,337		150,766,337	146,841,400		146,841,400	150,205,000				150,205,000
921	Medical Assistance for the Aged.....	20,237,715		20,237,715								
921	Aid to Victims of Crimes of Violence.....	2,888		2,888	67,500		67,500	67,500				67,500
	Totals, Public Assistance Program.....	\$368,796,251		\$368,796,251	\$358,130,000		\$358,130,000	\$407,955,700				\$407,955,700
934	Special Social Service Programs.....	\$8,084,779		\$8,984,779	\$14,136,248		\$14,136,248	\$15,621,401				\$15,621,401
	Totals, Social Welfare.....	\$377,781,030		\$377,781,030	\$372,266,248		\$372,266,248	\$423,577,101				\$423,577,101
957	Medical Assistance Program.....	\$61,891,302		\$61,891,302	\$179,598,273		\$179,698,273	\$231,297,258				\$231,297,258
	Totals, Health and Welfare.....	\$438,903,555		\$488,908,855	\$614,651,062		\$614,651,062	\$713,827,756				\$713,827,756
	Resources:											
	Flood Control											
963	Department of Water: Resources Projects.....	\$6,193,917		\$6,193,917	\$12,500,000		\$12,500,000	\$11,250,000				\$11,250,000
963	Reclamation Board Projects.....	5,508,905		5,508,905	4,381,096		4,381,096	4,608,731				4,608,731
	Totals, Flood Control.....	\$11,702,822		\$11,702,822	\$16,881,096		\$16,881,096	\$15,858,731				\$15,858,731
966	Beach Erosion Control.....	—\$12,723		—\$12,723	\$93,475		\$93,475					
967	Assistance for Construction of Sewerage and Storm											
	Drainage Facilities.....											
969	Grants to Local Governments for Recreation ^a											

^a From the State Beach, Park, Recreational and Historical Facilities Fund.

Schedule 3--COMPARATIVE STATEMENT OF EXPENDITURES--Continued

Page Ref- er- ence	Organization Unit	Actual 1965-66			Estimated 1966-67			Estimated 1967-68			
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	General Fund Net Adjustment	Special Funds	Total
970 986	LOCAL ASSISTANCE--Continued STUDVENTIONS--Continued Resources--Continued State Financial Assistance to Local Agencies for Small Craft Harbors----- Grants to Soil Conservation Districts-----	----- -\$142,952 98,240	\$3,903,925 -----	\$3,750,974 98,240	----- \$100,400	\$4,000,000 -----	\$4,000,000 100,400	----- --\$4,021,103 23,000	-----	\$4,000,000 -----	-\$21,103 23,000
		\$11,545,357	\$3,903,926	\$15,519,313	\$17,074,971	\$4,000,000	\$21,074,971	\$11,560,568	-----	\$6,000,000	\$17,560,568
		-----	\$415,552	\$415,552	\$3,000,000	\$900,000	\$3,900,000	-----	-----	\$1,900,000	\$1,900,000
987 988 989	Transportation: Southern California Rapid Transit District----- Airport Assistance----- Local Roads and Highways----- Grade Crossing Protection Works-----	----- ----- 7,874,959 5,552,346	----- ----- 7,874,959 5,552,346	----- ----- 7,874,959 5,552,346	----- ----- 8,362,700 5,864,758	----- ----- 8,362,700 5,864,758	----- ----- 8,362,700 5,864,758	----- ----- 8,362,700 5,864,758	----- ----- ----- -----	----- ----- 7,333,500 5,810,000	----- ----- 7,333,500 5,810,000
		-----	\$13,842,857	\$13,842,857	\$3,000,000	\$16,377,458	\$19,377,458	-----	-----	\$15,043,500	\$15,043,500
		\$5,710,306 1,209,722	-----	\$5,710,306 1,209,722	\$5,551,375 1,046,204	-----	\$5,551,375 1,046,204	\$5,574,000 1,203,920	-----	-----	\$5,574,000 1,203,920
990 991 992	Other Purposes: Salaries of Superior Court Judges----- Contribution to Judges' Retirement Fund----- Workmen's Compensation for Disaster Service Workers-----	55,602	-----	55,602	60,000	-----	60,000	62,000	-----	-----	62,000
		-----	\$831,789	831,789	-----	\$926,800	926,800	-----	-----	\$965,200	935,200
		432,485	-----	432,485	667,515	-----	667,515	600,000	-----	-----	500,000
993 994 995	Assistance to Counties for Public Defenders----- Storm and Flood Damage Repair----- Earthquake Damage Repair----- Veterans' Housing-----	494,760	11,210,680	11,705,440	-----	2,669,371	2,669,371	600,000	-----	177,531	177,631
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
996 997	Assistance for Unanticipated Tax Loss----- Totals, Other Purposes-----	-----	139,414	139,414	-----	553,527	553,527	-----	-----	600,000	600,000
		\$7,769,810	\$12,181,883	\$19,651,693	\$8,113,333	\$3,506,171	\$11,709,504	\$7,688,793	-----	\$1,172,731	\$8,861,524
		\$1,632,647,209	\$35,680,177	\$1,668,327,386	\$1,898,865,911	\$31,144,427	\$1,930,010,338	\$1,093,343,872	-----	\$27,946,231	\$2,021,700,103
998 999	SHARED REVENUES: For General Government: Apportionment of Liquor License Fees----- Apportionment of Motor Vehicle License Fees----- Apportionment of Highway Properties Rental Receipts-----	-----	\$11,591,044	\$11,591,044	-----	\$11,600,160	\$11,600,160	-----	-----	\$12,007,000	\$12,007,000
		-----	182,525,241	182,625,241	-----	188,200,000	188,200,000	-----	-----	196,700,000	196,700,000
		-----	791,840	791,840	-----	553,527	553,527	-----	-----	600,000	600,000
998 999	Totals, General Government----- For Cities and Counties Tideland Development: Apportionment of tideland revenue----- For County Roads: Apportionment of Motor Vehicle Fuel Tax----- For City Streets: Apportionment of Motor Vehicle Fuel Tax-----	-----	\$194,908,725	\$194,908,725	-----	\$200,353,693	\$200,353,693	-----	-----	\$209,307,000	\$209,307,000
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
998 999	Totals, General Government----- For Cities and Counties Tideland Development: Apportionment of tideland revenue----- For County Roads: Apportionment of Motor Vehicle Fuel Tax----- For City Streets: Apportionment of Motor Vehicle Fuel Tax-----	-----	\$252,043	\$252,043	\$270,094	-----	\$270,094	\$306,404	-----	-----	\$306,404
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
998 999	Totals, General Government----- For Cities and Counties Tideland Development: Apportionment of tideland revenue----- For County Roads: Apportionment of Motor Vehicle Fuel Tax----- For City Streets: Apportionment of Motor Vehicle Fuel Tax-----	-----	\$112,601,326	\$112,601,326	-----	\$119,000,000	\$119,000,000	-----	-----	\$123,300,000	\$123,300,000
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
998 999	Totals, General Government----- For Cities and Counties Tideland Development: Apportionment of tideland revenue----- For County Roads: Apportionment of Motor Vehicle Fuel Tax----- For City Streets: Apportionment of Motor Vehicle Fuel Tax-----	-----	\$52,298,122	\$52,298,122	-----	\$54,400,000	\$54,400,000	-----	-----	\$56,500,000	\$56,500,000
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Page Ref- er- ence	Organization Unit	Actual 1965-66			Estimated 1966-67			Estimated 1967-68				
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	General Fund Net Adjustment	General Fund Adjusted	Special Funds	Total
909	LOCAL ASSISTANCE—Continued											
	SHARED REVENUES—Continued											
	For County Roads and City Streets: Apportionment of Motor Vehicle Fuel Tax.....		\$72,560,713	\$72,560,713		\$76,100,000	\$76,100,000				\$78,900,000	\$78,900,000
	TOTALS, SHARED REVENUES.....	\$252,043	\$432,365,886	\$432,620,929	\$270,094	\$449,853,693	\$450,123,787	\$306,404			\$468,007,000	\$468,313,404
	TOTALS, LOCAL ASSISTANCE.....	\$1,632,899,252	\$468,049,063	\$2,100,948,315	\$1,899,139,005	\$480,998,120	\$2,380,137,125	\$1,994,150,276		\$1,994,150,276	\$495,953,231	\$2,490,103,507
	TOTALS, EXPENDITURES:											
	SUPPORT.....	\$923,312,164	\$235,445,937	\$1,158,758,101	\$1,056,998,815	\$282,314,910	\$1,339,313,725	\$1,100,754,441	—\$114,343,839	\$986,410,602	\$286,226,488	\$1,272,637,090
	LOCAL ASSISTANCE.....	1,632,899,252	468,049,063	2,100,948,315	1,899,139,005	480,998,120	2,380,137,125	1,994,150,276		1,994,150,276	495,953,231	2,490,103,507
	LOCAL ASSISTANCE*.....		*(6,059,384)	*(6,059,384)		*(12,212,925)	*(12,212,925)				*(9,485,533)	*(9,485,533)
	TOTALS, OPERATIONS.....	\$2,556,211,416	\$703,495,000	\$3,259,706,416	\$2,956,137,820	\$763,313,030	\$3,719,450,850	\$3,094,904,717	—\$114,343,839	\$2,980,560,878	\$782,179,719	\$3,762,740,597

a From the State Beach, Park, Recreational and Historical Facilities Fund.

CLASSIFICATION OF FUNDS IN THE STATE TREASURY

The Budget totals of revenues and expenditures reflect the activities of many separate funds. See Schedules 4 and 5 for complete list of these funds. They are segregated into the following classifications:

GENERAL FUND—Consists of money received into the State Treasury not required by law to be credited to any other fund, to be used for general purposes of State Government.

SPECIAL FUNDS—Funds created to receive certain revenues or to finance particular activities which are for general purposes of State Government or are for activities subject to the regulatory or police powers of the state.

OTHER FUNDS—See Schedule 5 for list of funds which are not included in the Budget totals. They consist of moneys which were derived from sources other than general or special taxes, licenses, fees or other state revenues. There are receipts from the Federal Government, funds created for accounting purposes, receipts from sale of lands, or moneys held in trust. Funds not included in the Budget totals are segregated into the following classifications:

Working Capital and Revolving Funds—Funds created to finance services for governmental agencies for which charges are made at cost to maintain a fixed accountability. The charges are reflected as expenditures in the Budget at the agency receiving the commodity or service.

Public Service Enterprise Funds—Activities operated under state control for the benefit of the public. Funds are derived from charges to those who use the service and no support is derived from taxes, licenses or other state revenues. These functions are not subject to the regulatory or police powers of the state.

Bond Funds—To hold proceeds from the sale of bonds and to finance projects for which the bonds were authorized. The cost to the state is charged at the time interest payments are made and when the bonds are redeemed. (See Treasury funds for which no detailed transactions are reported in the Budget.)

Retirement Funds—Moneys held in trust by the state for retirement benefit payments.

Debt Service Funds—Moneys held by the state to be used for payment of interest or for redemption of bonds.

Trust and Agency Funds—Funds holding moneys in trust pending disbursements to trustors, moneys received from the Federal Government to be expended for specific purposes, and other funds which do not derive their sources from taxes or other state revenues, or are in the nature of transitory funds created for the convenience of accounting receipts or disbursements which are not necessarily revenues or expenditures.

Schedule 4

SUMMARY OF FUND CONDITION BY FUNDS, CASH BASIS, AS OF JUNE 30, 1965, 1966, 1967, AND 1968

Fund	Page reference	Accumulated surplus June 30, 1965	Actual income 1965-66	Actual expenditures 1965-66	Transfers between funds	Accumulated surplus June 30, 1966	Estimated income 1966-67	Estimated expenditures 1966-67	Transfers between funds	Accumulated surplus June 30, 1967	Estimated income 1967-68	Estimated expenditures 1967-68	Transfers between funds	Accumulated surplus June 30, 1968
GENERAL FUND	A3	\$151,076,046 155,264,124	\$2,544,638,530	\$2,570,616,607		\$119,312,741 152,049,273	\$2,625,575,767	\$2,006,946,027		-\$212,743,656 11,335,430	\$2,720,359,096	\$2,087,035,561		-\$479,612,310 11,727,619
Transfers from Other Funds:														
California Museum of Science and Industry Fund					(+63,898) (+13,988,834)		(+60,881) (+5,424,670)		(+60,881) (+5,424,670)		(+66,557)		(+60,881) (+5,424,670)	
California Water Fund			(+63,898) (+13,988,834)											
Central Valley Water Project Construction Fund														
Employment Contingent Fund			(+6,858,385) (+16,575,327)				(+63,376) (+16,996,545)		(+63,376) (+16,996,545)		(+19,716,362) (+3,132,106)		(+2,667,863) (+2,135,297)	
Fair and Exposition Fund														
Motor Vehicle Fund														
School Land Fund			(+13,625,070)											
Sacramento State Building Interest and Sinking Fund														
Water Resources Revolving Fund			(+1,751,826)								(+2,176,000)		(+2,176,000)	
Transfers to Other Funds:														
Assembly Contingent Fund														
California Museum of Science and Industry Fund				(+6,775,500)	(-6,775,500)			(+7,028,546)	(-7,028,546)			(+7,028,546)	(-7,028,546)	
Insurance Fund				(+372,905) (+110,000)	(-372,905) (-110,000)			(+445,934) (+112,300)	(-445,934) (-112,300)			(+445,934) (+112,300)	(-445,934) (-112,300)	
Poultry Testing Project Fund				1,456,665 6,047,710	(-75,086) (-2,911,000)			(+3,394,391) (+690,131)	(-75,086) (-2,911,000)			(+3,394,391) (+690,131)	(-75,086) (-2,911,000)	
Senate Contingent Fund														
State Fair Fund				(+426,035)	(-426,035)									
SPECIAL FUNDS:														
Agriculture Fund	104	1,513,572 a0,006 b2,702,666	9,200,942	9,222,509		1,544,105 a6,006 b2,650,766	9,986,329	10,061,009		1,531,719 a b2,565,480	10,001,959	10,154,366		1,453,508 a b2,511,102
Aeronautics Fund	986		-307,547	119,244	(+2,236,207) (-1,690,000) (+1,690,000)	-564 a1,263,368 a802,106 a1,174,357 734,224	-466,800 80,000 11,745,000 1,591,000 7,402,903	244,248 1,250,000 11,600,166 1,570,723 7,402,903	(+2,900,000) (-2,186,568) (+2,186,568)	b2,565,480 a2,301,956 947,000 87,047 a800,000 635,946	-512,600 85,000 12,060,000 1,598,000 7,026,546 1,326,977	246,886 1,900,000 12,007,000 1,570,707 7,026,546 1,326,977	(+3,200,000) (-2,440,714) (+2,440,714)	a2,927,670 a1,000,000 115,240 a600,000 559,022
Airport Assistance Revolving Fund	988		7,192	418,757										
Alcohol Beverage Control Fund	572	a4,053 a965,382	11,428,423	11,591,614		a802,106 67,670	11,745,000	11,600,166		a2,301,956 947,000	12,060,000	12,007,000		a2,927,670 a1,000,000
Architecture Public Building Fund	62	-8,645	1,565,360	1,456,665		a1,174,357	1,591,000	1,570,723		87,047	1,598,000	1,570,707		115,240
Assembly Contingent Fund	3	a446,597		6,047,710				7,402,903				7,026,546		a600,000
Banking Fund	580	759,336	1,120,872	-6,775,500	(+6,775,500)			-7,026,546	(+7,026,546)			-7,026,546	(+7,026,546)	
California Museum of Science and Industry Fund	109	159,553	539,580	916,099	(+15,000) (-63,896) (+372,905) (+372,905) (-155,000) (-13,988,834)	105,041 a10,315,862	402,300 -60,861 17,720,481 -5,424,670	997,414 -445,934 11,109,373	(+15,000) (-60,861) (+445,934) (-188,000) (-5,424,670)	492,300 -56,357 a20,320,300	492,300 -56,357 12,513,750	896,377 -445,934 11,132,000	(+15,000) (-56,357) (+445,934)	a21,702,050
California Water Fund	*	a18,406,746	20,424,166 -13,968,824	14,366,248										
Capital Outlay Fund for Public Higher Education	*													
Chiropractic Examiners Fund	606	76,492	109,466	105,605		80,153	113,544	113,561		70,836	20,651,907	3,160,304		23,471,603
Collection Agency Fund	611	16,997	167,345	171,460		12,682	155,008	159,740		6,750	156,148	161,562		80,462
Employment Contingent Fund		4,206,636	2,369,095	204,617		-260,470	2,266,500	2,205,124		-246,076	2,552,000	416,703		5,316
Electronic Repair Dealer Registration Fund	616	a1,487,269	-6,656,365	245,292	(-6,656,365)	a1,269,470	-63,376	287,040	(-63,376)	a1,246,976	-2,135,297	290,774	(-2,135,297)	a1,000,000
Fair and Exposition Fund	*	222,286 482,360 a2,361,004	257,062 24,968,714	8,068,612	(-15,000) (-265,000) (-16,575,827)	231,056 630,717 a2,446,942	265,200 25,665,579 -16,996,545	11,606,693	(-15,000) (-265,000) (-16,996,545)	232,216	27,780,000	7,753,638	(-15,000) (-265,000) (-19,746,362)	226,642

Schedule 4—SUMMARY OF FUND CONDITION BY FUNDS, CASH BASIS, AS OF JUNE 30, 1965, 1966, 1967, AND 1968—Continued

Fund	Page refer- ence	Accumulated surplus June 30, 1965	Actual income 1965-66	Actual expenditures 1965-66	Transfers between funds	Accumulated surplus June 30, 1966	Estimated income 1966-67	Estimated expenditures 1966-67	Transfers between funds	Accumulated surplus June 30, 1967	Estimated income 1967-68	Estimated expenditures 1967-68	Transfers between funds	Accumulated surplus June 30, 1968
SPECIAL FUNDS—Continued														
Fish and Game Preservation Fund.....	700	\$8,555,465 a383,225	\$13,208,823	\$12,363,172	-----	\$7,561,076 a231,268	\$13,542,100	\$14,320,488	-----	\$7,003,954 a	\$14,022,187	\$15,143,589	-----	\$5,879,572 a
Highway Fund.....		147,574,137	5,615,720	551,473,286	+538,700,076 +255,000	138,673,247	4,642,000	890,440,995	+538,400,000 +255,000	30,589,249	4,000,000	548,740,000	+543,800,000 +250,000	30,589,249
Highway Properties Rental Fund.....	*	706,245	560,167	791,840	+98,700,000 +547,500,595 +15,477,351 -530,700,678 -12,465,944	554,572	600,000	553,327	+42,600,000 +79,000,000 +645,500,000 +15,400,000 -583,400,000	601,045	000,000	500,000	+3,200,000 +80,000,000 +566,100,000 +17,800,000 -543,800,000	001,045
Highway Users Tax Fund.....	*	-----	-----	112,601,326	-----	-----	-----	119,000,000	-----	-----	-----	123,300,000	-----	-----
Indemnity Fund.....	932	-----	551	3,335,559	-----	551	3,000	3,914,037	-----	3,551	3,000	3,911,390	-----	8,651
Insurance Fund.....	585	1,269,554	3,324,662	-110,000	(+110,000)	1,368,647	3,175,684	-112,300	(+112,300)	742,594	3,753,067	-112,300	(+112,300)	697,171
Marriage Counselors Fund.....	625	1,202	34,993	11,104	-----	25,031	1,200	9,820	-----	16,411	37,200	0,638	-----	43,973
Motor Vehicle Fund.....	800	34,581,472	198,885,711	95,353,084	-98,700,000	40,310,311	214,944,138	127,318,698	-79,000,000	50,885,463	237,988,750	127,676,782	-80,000,000	78,065,328
Motor Vehicle Fuel Fund.....	413	a2,845,922	552,098,634	5,878,458	-2,236,207 -647,590,555	a1,049,710 48,045,780	553,355,452	6,066,454	-2,900,000 -545,500,000	46,034,778	-3,132,105 576,194,583	5,127,842	(-3,132,105) -500,100,000	47,701,710
Motor Vehicle License Fee Fund.....	800	14,109,392	189,080,081	188,600,245	-----	14,587,755 a1,473	195,030,616	104,746,042	-----	14,879,102	206,110,025	203,285,311	-----	10,703,816
Motor Vehicle Transportation Tax Fund.....	413	1,710,999	17,413,601	1,275,094	-15,477,351 -265,000	1,679,957	18,541,000	2,545,506	-15,400,000 -205,000	2,455,749	20,101,000	1,541,250	-17,800,000 -280,000	3,365,499
Peace Officers Training Fund.....	564	461,671	908,728	915,575	-----	435,298	935,000	1,032,144	-----	357,680	960,000	1,100,075	-----	200,705
Petroleum and Gas Fund.....	670	111,849	948,251	943,571	-----	464,824	1,015,141	1,035,695	-----	93,475	1,058,330	1,040,305	-----	100,000
Pilot Commissioner's Special Fund.....	593	33,605	24,772	24,559	-----	500	25,000	30,216	-----	33,502	27,000	26,298	-----	6,000
Poultry Testing Project Fund.....	111	55,899	18,894	84,985	-----	64,894	32,368	111,685	-----	60,763	26,637	113,695	-----	34,204
Professional and Vocations Fund:				-76,086 (+75,086)				-75,086	(+75,086)			-30,654	(+30,654)	3,470
Accountancy Fund.....	601	594,773	126,915	355,546	-----	366,142	436,183	381,500	-----	420,825	135,950	378,347	-----	178,428
Architectural Examiners Fund.....	602	224,308	287,080	126,495	-----	384,963	107,630	174,071	-----	298,522	206,125	174,530	-----	300,117
Barber Examiners Fund.....	605	98,420	472,204	338,610	-----	232,014	154,240	380,896	-----	5,358	689,850	367,844	-----	327,304
Cemetery Fund.....	607	29,676	70,229	70,222	-----	29,683	72,950	72,644	-----	29,989	73,415	72,928	-----	30,476
Contractors' License Fund.....	612	1,342,683	2,686,562	2,158,302	-----	1,870,943	773,981	2,358,120	-----	286,784	4,075,750	2,361,980	-----	1,907,554
Cosmetology's Contingent Fund.....	614	905,714	337,294	626,479	-----	616,529	1,097,595	765,134	-----	988,090	335,375	720,271	-----	568,094
Dentistry Fund.....	515	120,813	180,643	260,947	-----	260,947	192,084	87,627	-----	155,560	330,425	197,497	-----	297,518
Dry Cleaners Fund.....	617	504,135	124,740	437,369	-----	281,505	783,636	474,738	-----	500,400	112,125	473,176	-----	229,355
Funeral Directors and Embalmers Fund.....	620	115,025	13,208	98,233	-----	30,000	201,228	110,452	-----	120,776	25,345	110,976	-----	35,145
Furniture and Bedding Inspection Fund.....	621	617,402	78,191	581,740	-----	113,853	1,101,800	670,439	-----	545,214	123,400	943,272	-----	25,342
Landscape Architects Fund.....	624	21,828	51,035	28,519	-----	44,344	6,225	31,040	-----	19,529	52,525	31,040	-----	41,005
Medical Examiners Contingent Fund.....	628	1,090,980	1,977,709	705,665	-----	2,363,024	421,462	1,211,780	-----	1,572,706	2,113,553	1,145,456	-----	2,640,784
Nursing Education and Nurse Registration Fund.....	630	356,475	557,022	563,279	-----	360,218	576,630	645,952	-----	290,806	592,900	646,238	-----	237,558
Optometry Fund.....	531	107,942	9,944	88,164	-----	48,822	135,285	75,672	-----	108,435	11,100	73,314	-----	40,221
Osteopathic Examiners, Contingent Fund of the Board of.....	632	15,527	9,794	13,585	-----	11,736	9,455	8,638	-----	12,553	9,055	8,638	-----	12,970
Pharmacy Board Contingent Fund.....	633	41,573	734,057	400,262	-----	285,368	348,000	532,693	-----	100,765	765,936	531,974	-----	334,727
Physical Therapy Fund.....	628	15,800	28,970	11,771	-----	33,999	110	14,562	-----	28,500	13,948	13,948	-----	34,109
Private Investigator and Adjuster Fund.....	635	79,889	138,564	113,689	-----	105,054	84,700	119,432	-----	70,322	147,687	119,134	-----	98,575
Professional Engineers Fund.....	509	378,898	293,483	482,741	-----	189,640	869,752	612,823	-----	446,589	365,110	615,037	-----	105,742
Registered Social Workers' Fund.....	638	27,250	34,127	30,468	-----	30,919	34,200	34,522	-----	30,597	35,500	33,000	-----	33,088

Schedule 4—SUMMARY OF FUND CONDITION BY FUNDS, CASH BASIS, AS OF JUNE 30, 1965, 1966, 1967, AND 1968—Continued

Fund	Page refer- ence	Accumulated surplus June 30, 1965	Actual income 1965-66	Actual expenditures 1965-66	Transfers between funds	Accumulated surplus June 30, 1966	Estimated income 1966-67	Estimated expenditures 1966-67	Transfers between funds	Accumulated surplus June 30, 1967	Estimated income 1967-68	Estimated expenditures 1967-68	Transfers between funds	Accumulated surplus June 30, 1968
SPECIAL FUNDS—Continued														
Professional and Vocations Fund—Continued														
Shorthand Reporters' Fund.....	637	\$71,483	\$16,815	\$27,603	-----	\$60,695	\$59,300	\$33,320	-----	\$86,676	\$13,450	\$32,906	-----	\$67,219
Structural Pest Control Fund.....	640	32,623	480,769	474,175	-----	39,217	468,116	497,677	-----	9,656	592,108	491,370	-----	110,454
Veterinary Examiners' Contingent Fund.....	641	19,785	92,447	61,932	-----	60,280	11,735	56,720	-----	15,295	93,980	56,720	-----	52,555
Vocational Nurse Examiners' Fund.....	643	266,721	130,869	174,599	-----	222,991	399,695	235,155	-----	387,631	135,933	230,551	-----	292,913
Yacht and Ship Brokers Fund.....	645	49,655	20,782	25,768	-----	44,669	21,646	28,885	-----	37,430	22,342	28,496	-----	31,276
Real Estate Education, Research and Recovery Fund.....	689	1,021,028	671,467	691,318	-----	1,001,177	692,525	655,654	-----	1,038,148	706,667	650,704	-----	1,094,021
Real Estate Fund.....	689	079,853	2,839,494	2,982,191	-----	537,166	3,241,794	3,301,400	-----	474,550	3,320,750	3,310,623	-----	484,677
Savings and Loan Inspection Fund.....	691	1,813,237	2,683,045	2,190,513	-----	2,205,769	2,677,645	2,725,337	-----	2,158,077	2,752,333	2,799,710	-----	2,110,700
Seate Contingent Fund.....	3	a589,499	-----	2,620,286	(+2,911,000)	a880,213	-----	3,307,087	(+3,394,391)	a997,517	-----	3,561,908	(+3,394,391)	a500,000
State Fair Fund.....	76	-66,513	2,184,486	-426,025	(+265,000)	-106,301	10,302,055	-590,131	(+590,131)	76,565	7,690,199	-300,183	(+265,000)	-----
State School Fund.....	883	122,913	2,540,080	2,620,404	+155,000	34,498	2,746,471	2,650,000	+188,000	130,969	2,722,500	2,650,000	(+300,183)	203,469
State School Construction Fund.....	896	a637,830	-----	671,359	-----	a221,471	-----	400,471	-----	-----	2,000,000	2,000,000	-----	-----
State Water Pollution Control Fund.....	968	-----	323,043	11,637,805	+12,465,944	a1,456,995	287,000	2,533,582	-----	a-809,687	471,022	42,000	-----	a-380,565
Street and Highway Disaster Fund.....	671	114,644	101,692	96,153	-----	120,183	97,283	109,853	-----	107,613	104,976	112,589	-----	100,000
Subsidence Abatement Fund.....	662	3,038,638	4,263,146	4,484,493	-----	2,817,291	4,475,643	4,904,281	-----	2,388,653	4,651,875	4,971,848	-----	2,068,680
Transportation Rate Fund.....	*	a1,400,313	857,000	744,870	-----	a1,512,503	844,116	1,081,617	-----	a1,275,002	835,104	915,167	-----	a1,194,939
Wildlife Restoration Fund.....	-----	-----	-----	-----	-----	-----	-----	16,931	-----	-15,931	-----	26,533	-----	-42,464
Provision for Salary Increases.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
TOTALS, SPECIAL FUNDS.....	-----	\$279,696,676	\$1,051,333,648	\$1,056,738,940	-----	\$271,287,426	\$1,087,973,706	\$1,251,865,707	a\$2,560,000	\$176,912,668	\$1,170,892,700	\$1,118,343,062	a\$3,200,000	\$230,092,164
	-----	a29,940,561	-----	-----	-----	a32,067,120	-----	-----	-----	a26,102,164	-----	-----	-----	a28,744,094
	-----	b2,702,868	-----	-----	-----	c500	-----	-----	-----	b2,685,480	-----	-----	-----	b2,611,192
	-----	-----	-----	-----	-----	-----	-----	-----	-----	c2,500	-----	-----	-----	c5,000
GRAND TOTALS ALL STATE FUNDS.....	-----	\$431,374,724	\$3,593,972,187	\$3,636,357,637	-----	\$390,600,166	\$3,713,549,493	\$4,250,811,734	a\$2,560,000	\$-35,830,988	\$3,891,251,798	\$4,105,378,623	a\$3,200,000	-\$240,720,146
	-----	a55,264,124	-----	-----	-----	a52,649,273	-----	-----	-----	a11,335,430	-----	-----	-----	a11,727,619
	-----	a29,940,561	-----	-----	-----	a32,067,120	-----	-----	-----	a26,102,164	-----	-----	-----	a28,744,094
	-----	b2,702,868	-----	-----	-----	b2,689,768	-----	-----	-----	b2,585,480	-----	-----	-----	b2,511,192
	-----	-----	-----	-----	-----	c500	-----	-----	-----	c2,500	-----	-----	-----	c6,000

1 General Fund—Reserve:

	June 30, 1967	June 30, 1968
Support.....	\$326,323	-----
Local Assistance:		
Corrections.....	276,942	-----
Education.....	9,838,938	\$10,934,392
Resources.....	595,227	595,227
Capital Outlay:		
General Administration.....	198,000	198,000
Total Reserves—General Fund.....	\$11,335,430	\$11,727,610

a Special Fund Reserve for Unencumbered Balance of Continuing Appropriations.

b Invested in Agriculture Building Fund.

* See Capital Outlay Budget.

c Reserves for Geothermal Energy Account.

d Accrued revenues reported as being transferred to the State Highway Fund.

Schedule 4-A
CHANGE FROM MODIFIED CASH BASIS TO ACCRUAL BASIS
EFFECT ON SPECIAL FUNDS SURPLUS, JUNE 30, 1967 AND JUNE 30, 1968

	1966-67				1967-68				
	Accumulated Surplus June 30, 1967 (Cash)	Adjustment for Accruals June 30, 1967	Transfers to Other Funds	Accumulated Surplus June 30, 1967 (Accrued)	Estimated Income (Cash)	Adjustment to Accrued Income	Estimated Expenditures	Transfers Between Funds	Accumulated Surplus June 30, 1968 (Accrual)
Agriculture Fund.....	\$1,531,719 b2,585,480	\$260,000	-----	\$1,791,719 b2,585,480	\$10,001,959	\$10,000	\$10,154,368	-----	\$1,723,598 b2,511,192
California Water Fund.....	a20,320,300	2,115,000	-\$2,075,000	a20,360,300	12,513,750	7,000	11,132,000	-----	a21,740,050
Capital Outlay Fund for Public Higher Education.....	1,788,358	1,788,358	-----	1,788,358	26,651,907	695,000	3,180,304	-----	25,954,961
Employment Contingent Fund.....	-246,976	1,630,000	-----	1,383,024	2,552,000	70,000	416,703	-----	1,700,000
Fair and Exposition Fund.....	a1,240,976	118,000	-----	a1,246,976 118,000	-2,135,297 27,780,000	200,000	7,753,638	(-2,135,297) -15,000 -265,000 (-19,746,362)	a1,000,000 318,000
Fish and Game Preservation Fund.....	7,003,954	123,000	-----	7,126,954	14,022,187	4,000	15,146,569	-----	6,000,572
Motor Vehicle Fund.....	50,885,463	115,000	-----	51,000,463	237,958,750	15,000	127,676,782	-80,000,000	78,165,320
Motor Vehicle Fuel Fund.....	40,934,778	93,340,000	-----	140,274,778	-3,132,105 570,194,583	3,830,000	6,127,642	(-3,132,105) -566,100,000	144,871,719
Motor Vehicle License Fee Fund.....	14,879,102	120,000	-----	14,999,102	205,110,025	5,000	203,285,311	-----	16,828,816
Motor Vehicle Transportation Tax Fund.....	2,455,719	2,840,000	-----	5,295,719	20,191,000	225,000	1,241,250	-17,800,000 -250,000	6,420,499
Transportation Rate Fund.....	2,388,653	945,000	-----	3,333,653	4,651,875	52,000	4,971,848	-----	3,065,680
Wildlife Restoration Fund.....	a1,275,002	128,000	-----	a1,403,002	835,104	223,000	915,167	-----	a1,515,939
Totals.....	\$151,260,200	\$103,522,358	-\$2,075,000	\$252,707,558	\$1,113,449,376	\$5,336,000	\$392,001,582	-\$667,630,000	\$311,801,352
Revenue accrued to Highway Fund shown on Schedule 4.....	-----	-\$62,550,000	-----	-----	-----	-\$3,200,000	-----	-----	-----
Revenue accrued to General Fund.....	-----	-2,075,000	-----	-----	-----	-----	-----	-----	-----
Net Adjusted Accrued Revenue.....	-----	\$38,887,358	-----	-----	-----	\$2,136,000	-----	-----	-----

a Special Funds—Reserve for Unencumbered Balance of Continuing Appropriations.
b Invested in Agriculture Building Fund.

Schedule 5

STATEMENT OF BALANCES IN OTHER TREASURY FUNDS WHICH ARE NOT INCLUDED IN THE BUDGET TOTALS

Fund	Balance June 30, 1965				Balance June 30, 1966			
	Cash	Securities	Due From Surplus Money Investment Fund	Total	Cash	Securities	Due From Surplus Money Investment Fund	Total
WORKING CAPITAL AND REVOLVING FUNDS:								
Agriculture Building Fund.....	\$21,355	-----	-----	\$21,355	\$69,916	-----	-----	\$69,916
Architecture Revolving Fund.....	90,570,205	-----	-----	90,570,205	104,328,191	-----	-----	104,328,191
Ballot Paper Revolving Fund.....	91,536	-----	-----	91,536	37,729	-----	-----	37,729
California Industries for the Blind Manufacturing Fund.....	101,260	-----	-----	101,260	24,928	-----	-----	24,928
Correctional Industries Revolving Fund.....	1,279,891	-----	-----	1,279,891	1,060,105	-----	-----	1,060,105
General Obligation Bond Expense Revolving Fund.....	636,604	-----	-----	636,604	19,135	-----	-----	19,135
Highway Right-of-Way Acquisition Fund.....	13,850	-----	-----	13,850	1,417,244	-----	-----	1,417,244
Opportunity Work Centers Revolving Fund.....	529,424	-----	-----	529,424	26,314	-----	-----	26,314
Old Age and Survivors Insurance Revolving Fund.....	649,064	-----	-----	649,064	712,946	-----	-----	712,946
Public Building Construction Fund.....	617,161	-----	\$505,000	1,154,064	2,989,070	\$5,041,529	-----	8,030,599
Service Revolving Fund.....	23,468	-----	-----	23,468	168,894	-----	-----	168,894
Revolving Loan Fund.....	183,953	-----	-----	183,953	20,481	-----	-----	20,481
School District Organization Revolving Fund.....	71,176	-----	-----	71,176	332,773	-----	-----	332,773
Soil Conservation Development Fund.....	\$7,028,058	-----	-----	\$7,028,058	91,105,737	-----	-----	91,105,737
State Payroll Revolving Fund.....	55,752	-----	-----	55,752	112,281	-----	-----	112,281
State Water Pollution Control Fund.....	608,161	-----	-----	608,161	215,071	-----	\$300,000	515,071
Surplus Educational Property Revolving Fund.....	23,192	-----	-----	23,192	4,836,637	-----	-----	4,836,637
Water Rights Board Revolving Fund.....	135,818	-----	-----	135,818	128,972	-----	-----	128,972
Water Resources Revolving Fund.....	7,926,850	-----	-----	7,926,850	5,770,871	-----	-----	5,770,871
Welfare Advance Fund.....	102,600	-----	-----	102,600	1,981,617	-----	-----	1,981,617
PUBLIC SERVICE ENTERPRISE FUNDS:								
San Francisco Harbor Funds:								
San Francisco Harbor Improvement Fund.....	594,840	-----	6,050,000	6,644,840	418,677	-----	7,550,000	7,968,677
India Basin Sinking Fund.....	6,632	8,785	-----	15,417	8,130	6,782	-----	14,912
San Francisco Seawall Sinking Fund No. 2.....	175,715	8,676	-----	184,391	173,159	8,569	-----	181,728
San Francisco Seawall Sinking Fund No. 3.....	215,560	10,604	-----	226,164	213,507	10,473	-----	223,980
San Francisco Seawall Sinking Fund No. 4.....	42,321	198,581	-----	240,902	72,545	198,409	-----	270,954
San Francisco Seawall Fund No. 4.....	42,321	-----	-----	42,321	39,628	-----	-----	39,628
San Francisco Seawall Fund No. 5.....	87,263	-----	15,550,000	15,637,263	44,222	-----	4,500,000	4,544,222
Toll Bridge Funds:								
Carquinez Strait Bridges Series A Construction Fund.....	24,963	4,806,250	-----	4,921,213	227,625	1,856,121	-----	2,083,746
San Francisco-Oakland Bay Bridge Construction Fund.....	6,079	129,103	-----	135,182	6,738	117,135	-----	123,873
San Francisco-Oakland Bay Bridge Toll Revenue Fund.....	3,841,446	44,121,575	-----	47,963,021	828,535	35,294,765	-----	36,123,300
Southern Crossing Engineering Fund.....	370	-----	-----	370	-----	-----	-----	-----
Toll Bridge Authority Revolving Fund.....	50,000	-----	-----	50,000	50,000	-----	-----	50,000
Carquinez Strait Bridges Construction Fund.....	251,666	202,391	-----	454,057	151,921	93,913	-----	245,834
San Pedro-Terminal Island Toll Bridge Construction Fund.....	46,106	732,654	-----	778,760	28,155	784,553	-----	812,708
Other Utility Funds:								
Central Valley Water Project Construction Fund.....	266,351	-----	29,550,000	29,816,351	154,664	-----	45,300,000	45,454,664
Central Valley Water Project Revenue Fund.....	4,122	-----	25,000	29,122	5,141	-----	25,000	30,141
College Auxiliary Enterprise Fund.....	157,692	-----	-----	157,692	166,072	-----	-----	166,072
Compensation Insurance Fund.....	1,081,726	187,586,030	2,000,000	190,667,756	589,183	206,765,120	2,000,000	209,354,303
Rapid Transit Tube Construction Fund.....	-----	-----	-----	-----	5,694	92,045,325	-----	92,051,019
Small Craft Harbor Revolving Fund.....	3,532,897	-----	-----	3,532,897	6,977,880	-----	-----	6,977,880
Small Craft Harbor Improvement Fund.....	62,406	-----	-----	62,406	304,215	-----	-----	304,215
State College Dormitory Building Maintenance and Equipment Reserve Fund.....	413,201	-----	-----	413,201	635,201	-----	-----	635,201
State College Dormitory Construction Fund.....	572,885	-----	-----	572,885	1,017,467	3,283,500	-----	4,300,967
State College Dormitory Revenue Fund.....	1,244,895	-----	-----	1,244,895	1,247,705	-----	-----	1,247,705
Unemployment Compensation Disability Fund.....	568,108	-----	-----	568,108	3,036,058	35,967,637	-----	39,003,695
Veterans' Farm and Home Building Fund of 1943.....	1,700,334	-----	19,000,000	20,700,334	1,240,097	-----	11,000,000	12,240,097

Schedule 5—STATEMENT OF BALANCES IN OTHER TREASURY FUNDS WHICH ARE NOT INCLUDED IN THE BUDGET TOTALS—Continued

Fund	Balance June 30, 1965				Balance June 30, 1966			
	Cash	Securities	Due From Surplus Money Investment Fund	Total	Cash	Securities	Due From Surplus Money Investment Fund	Total
BOND FUNDS:								
California Water Resources Development Bond Fund.....	\$683,971	-----	\$153,350,000	\$154,033,971	\$8,744,805	-----	\$25,255,000	\$33,999,805
Public School Building Loan Fund.....	207,357	-----	-----	207,357	4,951	-----	-----	4,951
State School Building Aid Fund.....	115,060,380	-----	-----	115,060,380	99,756,169	-----	-----	99,756,169
State Construction Program Fund.....	573,747	-----	-----	573,747	69,500,809	-----	-----	69,500,809
Small Craft Harbor Bond Fund.....	185,774	-----	2,000,000	2,185,774	90,774	-----	1,900,000	1,990,774
State Beach, Park, Recreational and Historical Facilities Fund.....	-----	-----	-----	-----	14,287,217	-----	-----	14,287,217
RETIREMENT FUNDS:								
Judges' Retirement Fund.....	1,084	\$677,427	-----	678,511	14,119	\$285,857	-----	293,976
Legislators' Retirement Fund.....	37,400	556,415	-----	593,815	96,569	600,881	-----	703,450
State Employees' Retirement Fund.....	310,971	2,187,725,305	-----	2,188,036,276	352,729	2,435,056,145	-----	2,435,408,874
Teachers' Retirement Fund.....	8,886,992	971,894,848	-----	980,781,840	8,934,774	1,099,494,952	-----	1,108,429,726
DEBT SERVICE FUNDS:								
Harbor Bond Sinking Fund.....	1,381,265	-----	-----	1,381,265	1,393,647	-----	-----	1,393,647
Olympic Bond Fund.....	4,884	129,607	-----	134,491	7,650	99,743	-----	107,393
Sacramento State Building Interest and Sinking Fund.....	3,362,964	1,347,184	-----	4,740,148	-----	-----	-----	-----
State College Dormitory Interest and Redemption Fund.....	221	1,469,953	-----	1,470,174	230	1,447,161	-----	1,447,391
TRUST AND AGENCY FUNDS:								
Federal Funds:								
Public Health—Federal Fund.....	1,363,790	-----	-----	1,363,790	2,513,091	-----	-----	2,513,091
Social Welfare—Federal Fund.....	16,843,155	-----	-----	16,843,155	11,831,024	-----	-----	11,831,024
Unemployment Administration Fund.....	1,696,787	-----	-----	1,696,787	1,537,382	-----	-----	1,537,382
Vocational Education—Federal Fund.....	3,852,954	-----	-----	3,852,954	1,324,555	-----	-----	1,324,555
Vocational Rehabilitation—Federal Fund.....	391,346	-----	-----	391,346	606,808	-----	-----	606,808
Other Trust and Agency Funds:								
Condemnation Deposit Fund.....	19,001,034	28,032,101	-----	47,033,135	14,450,597	34,233,293	-----	48,683,890
Health Care Deposit Fund.....	-----	-----	-----	-----	20,070,193	-----	-----	20,070,193
Highway Property Rental Fund.....	708,875	-----	-----	708,875	511,809	-----	-----	511,809
Inmate Welfare Fund.....	242,565	-----	-----	242,565	262,368	-----	-----	262,368
School Land Fund.....	13,525,069	1,352,300	-----	14,877,369	-----	-----	-----	-----
Special Deposit Fund.....	23,038,141	38,153	3,200,000	26,276,294	23,283,292	33,153	6,100,000	29,421,445
State Employees' Contingency Reserve Fund.....	1,799	1,621,871	-----	1,623,670	10,558	1,084,400	-----	1,094,958
State Park Contingent Fund.....	40,306	-----	-----	40,306	30,038	-----	-----	30,038
State Properties Rental Fund.....	38,850	-----	-----	38,850	72,761	-----	-----	72,761
Tax Deeded Land Rental Trust Fund.....	9,304	-----	-----	9,304	10,911	-----	-----	10,911
Unclaimed Property Fund.....	151,958	4,226,930	1,100,000	5,478,888	114,013	4,101,866	1,050,000	5,265,879
Unemployment Fund.....	55,603	-----	-----	55,603	65,701	-----	-----	65,701
TOTAL BALANCES IN OTHER TREASURY FUNDS.....	\$417,380,807	\$3,769,009,208	—\$95,005,000	\$4,091,385,015	\$508,100,615	\$4,170,879,576	—\$101,305,000	\$4,577,675,491
General Fund.....	167,748,970	167,748,970	-----	167,748,970	174,799,907	174,799,907	-----	174,799,907
Highway Fund and Motor Vehicle Funds.....	41,793,458	146,959,757	57,100,000	244,793,245	97,313,302	150,280,158	58,750,000	246,343,860
Other Special Funds.....	29,708,763	25,470,000	57,905,000	93,143,763	57,823,756	25,470,000	42,555,000	105,848,756
Treasurer's Trust Accounts.....	65,952,433	-----	-----	65,952,433	69,740,798	-----	-----	69,740,798
Uncleared Collections.....	1,471,918	-----	-----	1,471,918	773,977	-----	-----	773,977
Warrants Outstanding.....	103,049,222	-----	-----	103,049,222	102,325,167	-----	-----	102,325,167
Police Money Account ^a	—541,028,088	541,065,088	-----	-----	—672,176,480	672,176,480	-----	-----
Time Deposits in Banks.....	—219,196,000	219,196,000	-----	-----	—214,689,000	214,689,000	-----	-----
Warrants Voided in Process.....	—21,549	-----	-----	—21,549	-----	-----	-----	-----
TOTALS, STATE TREASURERS ACCOUNTABILITY.....	\$66,289,964	\$4,700,693,053	-----	\$4,766,983,017	\$44,062,902	\$5,235,444,614	-----	\$5,277,507,416

^a Not identified as to fund.

**TREASURY FUNDS FOR WHICH NO DETAILED TRANSACTIONS
ARE REPORTED IN THE BUDGET**

Ballot Paper Revolving Fund: The fund is used by the Secretary of State to purchase paper for sale to counties and municipalities for their use for election ballots.

Old Age and Survivors Insurance Revolving Fund: The fund is used by the State Employees' Retirement System to clear employer and employee contributions under the Federal Old Age and Survivors Insurance Program from public agencies included in the agreement between the State and the Federal Government.

Opportunity Work Centers Revolving Fund: Provides for purchase and rental of equipment for Blind Centers.

State Payroll Revolving Fund: The fund is used by the State Controller for payment of salaries through the Central Payroll System.

Welfare Advance Fund: The fund is used for disbursements to counties of state and federal shares of social welfare public assistance programs.

India Basin Sinking Fund: Moneys are transferred from the San Francisco Harbor Improvement Fund and interest is earned on investment of these moneys to provide for payment of interest and redemption of the San Francisco Harbor Bonds.

San Francisco Seawall Fund No. 4: Receives money from the proceeds of bond sales to be used for the construction of wharves, piers, seawall, and other improvements in San Francisco Harbor.

San Francisco Seawall Fund No. 5: Receives money from the proceeds of bond sales to be used for the construction of wharves, piers, seawall, and other improvements in San Francisco Harbor.

San Francisco Seawall Sinking Fund No. 2: Moneys are transferred from the San Francisco Harbor Improvement Fund and interest is earned on investment of these moneys to provide for payment of interest and redemption of the San Francisco Harbor Bonds.

San Francisco Seawall Sinking Fund No. 3: Moneys are transferred from the San Francisco Harbor Improvement Fund and interest is earned on investment of these moneys to provide for payment of interest and redemption of the San Francisco Harbor Bonds.

San Francisco Seawall Sinking Fund No. 4: Moneys are transferred from the San Francisco Harbor Improvement Fund and interest is earned on investment of these moneys to provide for payment of interest and redemption of the San Francisco Harbor Bonds.

Toll Bridge Authority Revolving Fund: A permanent revolving fund to pay expenses incurred by the California Toll Bridge Authority in the administration of the Toll Bridge Authority Act.

California Heritage Preservation Fund: The fund was established by Chapter 1938, Statutes of 1963, to receive donations, gifts and grants from any source to provide for the restoration, preservation and display of the historical documents of the State on deposit with the Secretary of State.

Condemnation Deposits Fund: Contains deposits held in trust pending settlement of court cases in condemnation proceedings.

School Land Fund: A nonexpendable endowment fund for public school purposes. Revenues consist of payment of principal and purchase price on sale of school lands. The interest received on the investment of this fund is deposited in the School Fund. The School Land Fund was abolished effective July 1, 1965, in accordance with the provisions of Chapter 538, Statutes of 1963.

Special Deposit Fund: Accumulation of numerous trust funds deposited by state and private agencies for a specific purpose. This fund also contains unclaimed checks and deposits pending either payment to the proper persons or transfer to the General Fund. The transactions of this fund are so numerous and so indefinite that no attempt is made to estimate the volume that will flow through the fund.

Special Interest Stopping Place Fund: Receives gifts of money or property for the purpose of establishing places of special scenic, historical, or cultural interest.

State Park Contingent Fund: Receives moneys from gifts, bequests, from municipal or county appropriations, or donations, for improvements, additions, or administration of the state park system. The amounts received are disbursed in accordance with the provisions of the donations.

Surplus Money Investment Fund: Excess money in those funds which do not have other provision for investment may be transferred to this fund, the pooled resources are invested and the interest earned is prorated to the contributing funds.

Tax-deeded Land Rental Trust Fund: Receipts are derived from leases made by the State Controller covering property deeded to the State for taxes. The rentals are paid semiannually to the county in which the property is located for distribution to the taxing agencies.

Treasury Trust Deposits: Provides for the State Treasurer's Central Banking System.

Unclaimed Property Fund: This fund accounts for all unclaimed moneys held by the State.

Schedule 6

COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA
FOR THE FISCAL YEARS 1965-66, 1966-67, AND 1967-68

Department	Page Refer- ence	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
		Grants	Reimburse- ments and Special Projects	Total	Grants	Reimburse- ments and Special Projects	Total	Grants	Reimburse- ments and Special Projects	Total
EXECUTIVE:										
Office of Economic Opportunity.....	22	\$505,452	-----	\$505,452	\$651,019	-----	\$651,019	\$578,684	-----	\$578,684
Disaster Office.....	26	791,200	\$148,399 (4,892,607)	939,599 (4,892,607)	803,566	\$208,553 (8,141,852)	1,072,119 (8,141,852)	871,562	----- (\$5,200,000)	871,562 (5,200,000)
Disaster Office—Disaster Relief.....	26	-----	-----	-----	-----	-----	-----	-----	-----	-----
Totals, Executive.....		\$1,296,652	\$148,399 (4,892,607)	\$1,445,051 (4,892,607)	\$1,514,585	\$208,553 (8,141,852)	\$1,723,138 (8,141,852)	\$1,450,246	----- (\$5,200,000)	\$1,450,246 (5,200,000)
GENERAL ADMINISTRATION:										
Personnel Board.....	79	-----	\$88,653	\$88,653	-----	\$113,692	\$113,692	-----	-----	-----
The Agency for International Development.....		-----	-----	-----	-----	-----	-----	-----	-----	-----
Totals, General Administration.....		-----	\$88,653	\$88,653	-----	\$113,692	\$113,692	-----	-----	-----
AGRICULTURE:										
Department of Agriculture.....	90	\$69,728	-----	\$69,728	\$96,398	-----	\$96,398	\$96,398	-----	\$96,398
Co-operative Marketing Research.....	90	55,383	-----	55,383	76,082	-----	76,082	56,689	-----	56,689
Participation in State Project.....		-----	-----	-----	-----	-----	-----	-----	-----	-----
Totals, Agriculture.....		\$125,111	-----	\$125,111	\$172,480	-----	\$172,480	\$153,087	-----	\$153,087
CORRECTIONS:										
Department of Corrections.....										
Institutions for Felons.....										
Services to United States Forest Service—Camp maintenance.....	136	-----	\$62,140	\$62,140	-----	\$67,664	\$67,664	-----	\$67,664	\$67,664
Services to United States Forest Service—Emergency firefighting.....	136	-----	141,775	141,775	-----	-----	-----	-----	-----	-----
Detention of Federal inmates.....	136	-----	3,534	3,534	-----	-----	-----	-----	-----	-----
Nonfelon Narcotic Program.....		-----	-----	-----	-----	-----	-----	-----	-----	-----
Services to Federal Government—Navy.....	140	-----	1,969	1,969	-----	-----	-----	-----	-----	-----
Totals, Department of Corrections.....		-----	\$209,418	\$209,418	-----	\$73,450	\$73,450	-----	\$73,450	\$73,450
Department of the Youth Authority—Support.....	152	-----	\$34,229	\$34,229	-----	\$38,630	\$38,630	-----	\$13,290	\$13,290
National Institute of Mental Health.....		-----	-----	-----	-----	-----	-----	-----	-----	-----
Community Treatment Programs.....	158	-----	94,844	94,844	-----	113,087	113,087	-----	104,850	104,850
Youth Participation in Community Action.....	158	-----	74,955	74,955	-----	211,224	211,224	-----	-----	-----
Differential Treatment Environments for Delinquents.....	158	-----	-----	-----	-----	73,413	73,413	-----	77,073	77,073
Totals, Department of the Youth Authority.....		-----	\$204,028	\$204,028	-----	\$436,354	\$436,354	-----	\$195,213	\$195,213
Totals, Corrections.....		-----	\$413,446	\$413,446	-----	\$509,804	\$509,804	-----	\$268,663	\$268,663
EDUCATION:										
Department of Education.....										
Various Educational Programs in Support.....	162	\$687,921	-----	\$687,921	\$972,305	-----	\$972,305	\$845,374	-----	\$845,374
Services for Veterans Administration.....	170	-----	\$40,880	\$40,880	-----	\$40,000	\$40,000	-----	\$40,000	\$40,000

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
Education—Continued										
Department of Education—Continued										
Talent Development and Other Project.....	172		\$81,219	\$81,219						
Compensatory Education—Local Assistance.....	883	\$73,767,664		73,767,664	\$79,945,103		\$79,945,193	\$89,312,256		\$89,312,256
Adult Basic Education—Local Assistance.....	803	1,677,336		1,677,336	1,785,988		1,785,988	1,708,400		1,708,400
Totals, Department of Education.....		\$76,122,021	\$122,009	\$76,245,020	\$82,703,480	\$40,000	\$82,743,480	\$91,806,030	\$40,000	\$91,906,030
National Defense Education										
Improvement of Guidance, Instruction and Statistical Services.....	177	\$540,035		\$540,035	\$690,961		\$690,961	\$702,283		\$702,283
Payment to School Districts, National Defense Education Program—Local Assistance.....	805	7,084,401		7,084,401	7,283,724		7,283,724	7,283,071		7,283,071
Totals, National Defense Education.....		\$7,624,436		\$7,624,436	\$7,974,685		\$7,974,685	\$7,986,254		\$7,986,254
Elementary and Secondary Education Acts										
Compensatory Education.....	181	\$308,460		\$308,460	\$759,247		\$759,247	\$765,011		\$765,011
School Library Resources.....	181	71,203		71,203	267,365		267,365	272,478		272,478
Strengthening the State Department of Education.....	181	996,800		996,800	1,387,540		1,387,540	2,149,020		2,149,020
School for Cerebral Palsied Children, Northern California.....	103	6,157		6,157	8,500		8,500	8,500		8,500
School for Cerebral Palsied Children, Southern California.....	105				8,500		8,500	8,500		8,500
School for Deaf, Berkeley.....	107	108,648		108,648	133,897		133,897	118,203		118,203
School for the Deaf, Riverside.....	200	80,585		80,585	125,309		125,309	125,309		125,309
Totals, Elementary and Secondary Education Acts.....		\$1,661,862		\$1,661,862	\$2,690,358		\$2,690,358	\$3,447,021		\$3,447,021
Special Schools for the Physically Handicapped										
School for the Blind.....										
Federal Work Study Program.....	191	\$19,166		\$19,166	\$36,953		\$36,953	\$36,953		\$36,953
School for the Deaf, Riverside.....										
Pilot Program—Deaf Children.....	200				131,022		131,022			
Totals, Special Schools for the Physically Handicapped.....		\$19,166		\$19,166	\$167,975		\$167,975	\$36,953		\$36,953
Vocational Education										
Instruction, Supervision and Teacher Training Programs.....	205	\$1,389,533		\$1,389,533	\$1,808,661		\$1,808,661	\$1,833,138		\$1,833,138
Reimbursement to School Districts—Local Assistance.....	894	30,508,518		30,508,518	25,006,775		25,006,775	24,921,877		24,921,877
Totals, Vocational Education.....		\$31,898,051		\$31,898,051	\$26,815,436		\$26,815,436	\$26,755,015		\$26,755,015
Division of Libraries										
Library Services and Construction Act.....	211	\$4,160,063		\$4,160,063	\$4,459,575		\$4,459,575	\$4,114,232		\$4,114,232
School Library Resources—Local Assistance.....	894	9,184,920		9,184,920	9,029,483		9,029,483	8,989,003		8,989,003
School Lunch Program—Local Assistance.....	897	5,826,753		5,826,753	6,300,000		6,300,000	6,300,000		6,300,000
Special Milk Program—Local Assistance.....	897	8,917,926		8,917,926	9,100,000		9,100,000	9,100,000		9,100,000
Totals, Education.....		\$145,416,098	\$122,099	\$145,538,197	\$149,240,998	\$40,000	\$149,280,998	\$158,594,508	\$40,000	\$158,634,508

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
HIGHER EDUCATION:										
Co-ordinating Council for Higher Education—Higher Education Facilities Act Program.....	217	\$81,786		\$81,786	\$144,396		\$144,396	\$131,030		\$131,030
University of California:										
Special Federal Research Projects.....	247	\$238,313,394		238,313,394		\$238,313,394	238,313,394		\$238,313,394	238,313,394
Other Federal Projects.....	247	106,169,713		106,169,713		111,703,706	111,703,706		126,097,202	126,097,202
Hastings College of the law—Work study and library grant.....	248	5,000		5,000		23,625	23,625		23,625	23,625
Totals, University of California.....		\$5,000	\$344,483,107	\$344,488,107	\$23,265	\$350,017,100	\$350,040,725	\$23,625	\$364,410,596	\$364,434,221
Trustees of the California State Colleges										
National Defense Education Act.....	260	\$3,978,396		\$3,978,396	\$4,395,159		\$4,395,159	\$4,395,159		\$4,395,159
Student Nursing Loan Funds.....	260	106,950		106,950		112,500	112,500		105,885	105,885
Education Opportunity Grant.....	260					2,010,478	2,010,478		2,362,500	2,362,500
Contract Management—Federal Funds.....	264					\$15,416	15,416		\$15,956	15,956
Chico State College										
Work Study Program and student loan administration.....	272		\$158,079	158,079		248,159	248,159		212,491	212,491
State College, Dominguez Hills										
Work Study Program, student loan administration and Research Projects.....	277		45,761	45,761		104,993	104,993		69,501	69,501
Fresno State College										
Work Study Program and student loan administration.....	283		79,577	79,577		244,393	244,393		236,101	236,101
State College at Fullerton										
Work Study Program and student loan administration.....	289		36,572	36,572		123,551	123,551		138,372	138,372
State College at Hayward										
Work Study Program and student loan administration.....	296		72,900	72,900		216,817	216,817		170,869	170,869
Humboldt State College										
Work Study Program and student loan administration.....	301		85,518	85,518		172,865	172,865		117,428	117,428
State College at Long Beach										
Work Study Program and student loan administration.....	308		171,496	171,496		818,686	818,686		792,308	792,308
State College at Los Angeles										
Work Study Program and student loan administration.....	314		264,097	264,097		468,380	468,380		345,015	345,015
Sacramento State College										
Work Study Program and student loan administration.....	320		161,285	161,285		300,846	300,846		247,290	247,290
State College at San Bernardino										
Work Study Program and student loan administration.....	324		7,600	7,600		33,948	33,948		58,653	58,653
San Diego State College										
Work Study Program and student loan administration.....	330		97,326	97,326		268,836	268,836		121,276	121,276
San Fernando Valley State College										
Work Study Program and student loan administration.....	335		119,835	119,835		453,239	453,239		499,966	499,966
San Francisco State College										
Work Study Program, student loan administration and Other Projects.....	342		1,369,179	1,369,179		1,411,315	1,411,315		1,179,010	1,179,010
San Jose State College										
Work Study Program and student loan administration.....	347		598,263	598,263		1,434,032	1,434,032		1,388,150	1,388,150
Sonoma State College										
Work Study Program and student loan administration.....	351		38,002	38,002		78,202	78,202		49,032	49,032
Stanislaus State College										
Work Study Program and student loan administration.....	357					34,852	34,852		7,313	7,313

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
HIGHER EDUCATION—Continued										
Trustees of the California State Colleges—Continued										
California State Polytechnic College—										
San Luis Obispo Campus	364		\$197,539	\$197,539		\$415,599	\$415,599		\$415,706	\$415,706
Work Study Program, student loan administration and other projects										
California State Polytechnic College—										
Kellogg Voorhis Campus	371		37,960	37,960		158,287	158,287		136,169	136,169
Work Study Program and Student loan administration	376		11,823,821	11,823,821		15,330,059	15,330,059		16,300,931	16,300,931
State College Foundations										
Totals, State Colleges		\$4,085,346	\$15,364,810	\$19,450,156	\$6,518,137	\$22,332,475	\$28,850,612	\$6,863,544	\$22,501,537	\$29,365,081
California Maritime Academy	379	\$208,121		\$208,121	\$210,520		\$210,520	\$210,520		\$210,520
State Scholarship and Loan Commission					(642,000)		(642,000)	(875,000)		(875,000)
Grants from Federal Office of Education	383									
Totals, Higher Education		\$4,380,253	\$359,847,917	\$364,228,170	\$6,896,678	\$372,349,475	\$379,246,253	\$7,228,719	\$386,912,133	\$394,140,852
					(642,000)		(642,000)	(875,000)		(875,000)
EMPLOYMENT:										
Department of Employment										
Unemployment Security Financing Act	384	\$25,149		\$25,149	\$22,528		\$22,528	\$22,528		\$22,528
Administration	384	65,115,300		65,115,300	71,407,710		71,407,710	71,040,257		71,040,257
Benefit Payments and Other Expenditures	384	460,615,761		460,615,761	338,710,000		338,710,000	321,070,000		321,070,000
Totals, Employment		\$525,756,210		\$525,756,210	\$410,140,238		\$410,140,238	\$392,132,785		\$392,132,785
FISCAL AFFAIRS:										
Board of Equalization										
Services to the Agency for International Development	409					\$2,500	\$2,500			
Department of Finance										
State Development Plan	417		\$427,931	\$427,931		232,952	232,952			
State Office of Planning—Land Use Study	417					220,000	220,000			
Department of Housing and Community Development										
Low cost housing demonstration	427	\$243,000		243,000						
Totals, Fiscal Affairs		\$243,000	\$427,931	\$670,931		\$455,452	\$455,452			
HEALTH AND WELFARE:										
Health and Welfare Agency										
Mental Retardation Program	432				\$326,900		\$326,900	\$60,900		\$60,900
California Commission on Aging										
Older American's Act	456	\$13,396		\$13,396	298,800		298,800	298,800		298,800
Department of Mental Hygiene										
Departmental Administration										
Administration	464	775,997		775,997	731,892		731,892	746,124		746,124
Special Project Activities	476		\$2,630,879	2,630,879		\$3,674,359	3,674,359		\$2,882,603	2,882,603
Neuropsychiatric Institutes										
Department of the Navy	478		16,904	16,904		20,363	20,363			
Department of the Army	478		26,968	26,968		34,577	34,577			

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
HEALTH AND WELFARE—Continued										
Department of Mental Hygiene—Continued										
Hospitals for Mentally Ill	479									
East Bay Clinic at Napa										
Totals, Department of Mental Hygiene		\$775,997	\$2,574,751	\$3,350,748	\$897,377	\$3,720,299	\$4,626,676	\$915,142	\$2,882,603	\$3,797,745
Department of Public Health										
Public Health Services—Support	486	\$3,865,329		\$3,865,329	\$3,748,497		\$3,748,497	\$3,727,022		\$3,727,022
National Office of Vital Statistics	488		\$18,291	18,291		\$20,000	20,000		\$20,045	20,045
Special Project Activities	505		5,930,312	5,930,312		9,459,384	9,459,384		11,250,944	11,250,944
Care of Crippled Children—Local Assistance	913	926,896		926,896	1,128,160		1,128,160	1,128,160		1,128,160
Assistance to Counties Without Local Health Departments—Local Assistance	915	100,000		100,000	100,000		100,000	100,000		100,000
Assistance to Local Health Departments—Local Assistance	915	2,541,574		2,541,574	2,513,541		2,513,541	2,513,541		2,513,541
Hospital Construction—Local Assistance	918	15,248,781		15,248,781	21,985,079		21,985,079	18,893,865		18,893,865
Totals, Public Health		\$22,682,580	\$5,948,603	\$28,631,183	\$29,475,277	\$9,479,384	\$38,954,661	\$26,332,588	\$11,270,989	\$37,603,577
Department of Rehabilitation										
Vocational Rehabilitation										
Cooperative Rehabilitation Services	507	\$1,549,826		\$1,549,826	\$8,197,000		\$8,197,000	\$8,197,000		\$8,197,000
Disability Certification Program	507	4,039,839		4,039,839	4,026,637		4,026,637	4,116,324		4,116,324
Department of Rehabilitation—Support	507	8,282,214		8,282,214	13,752,757		13,752,757	14,044,373		14,044,373
Special Rehabilitation Services	528				2,682,818		2,682,818	7,958,027		7,958,027
Totals, Vocational Rehabilitation		\$13,871,879		\$13,871,879	\$28,659,212		\$28,659,212	\$34,315,724		\$34,315,724
Orientation Center for the Blind, Vocational Rehabilitation Service	534	\$179,280		\$179,280	\$243,463		\$243,463	\$259,269		\$259,269
Totals, Department of Rehabilitation		\$14,051,159		\$14,051,159	\$28,902,675		\$28,902,675	\$34,574,993		\$34,574,993
Department of Social Welfare										
Public Assistance Programs:										
Aid to the Blind										
Administration—Support	538	\$167,502		\$167,502	\$188,876		\$188,876	\$194,062		\$194,062
Assistance—Local Assistance	947	7,255,896		7,255,896	9,464,700		9,464,700	9,534,800		9,534,800
Administration—Local Assistance	947	915,767		915,767	994,059		994,059	1,059,327		1,059,327
Totals, Aid to the Blind		\$8,339,165		\$8,339,165	\$10,647,635		\$10,647,635	\$10,788,189		\$10,788,189
Aid to Families with Dependent Children										
Administration—Support	538	\$1,431,470		\$1,431,470	\$1,722,978		\$1,722,978	\$1,816,592		\$1,816,592
Assistance—Local Assistance	947	150,911,764		150,911,764	180,977,400		180,977,400	230,544,800		230,544,800
Administration—Local Assistance	947	39,533,203		39,533,203	50,509,536		50,509,536	64,900,465		64,900,465
Totals, Aid to Families with Dependent Children		\$191,876,437		\$191,876,437	\$233,209,914		\$233,209,914	\$297,261,857		\$297,261,857

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
		Grants	Reimburse-ments and Special Projects	Total	Grants	Reimburse-ments and Special Projects	Total	Grants	Reimburse-ments and Special Projects	Total
HEALTH AND WELFARE—Continued										
Department of Social Welfare—Continued										
Public Assistance Programs—Continued										
Aid to the Disabled										
Administration—Support.....	538	\$833,936	-----	\$833,936	\$972,227	-----	\$972,227	\$1,024,381	-----	\$1,024,381
Assistance—Local Assistance.....	947	45,781,167	-----	45,781,167	59,841,200	-----	59,841,200	69,137,700	-----	69,137,700
Administration—Local Assistance.....	947	8,205,164	-----	8,205,164	10,934,764	-----	10,934,764	13,240,769	-----	13,240,769
Totals, Aid to the Disabled.....		\$54,820,267	-----	\$54,820,267	\$71,748,191	-----	\$71,748,191	\$83,402,850	-----	\$83,402,850
Old Age Security										
Administration—Support.....	538	\$553,506	-----	\$553,506	\$618,155	-----	\$618,155	\$656,365	-----	\$656,365
Assistance—Local Assistance.....	947	174,715,453	-----	174,715,453	173,366,200	-----	173,366,200	173,138,300	-----	173,138,300
Administration—Local Assistance.....	947	15,048,323	-----	15,048,323	16,885,440	-----	16,885,440	18,450,773	-----	18,450,773
Totals, Old Age Security.....		\$190,317,282	-----	\$190,317,282	\$190,869,795	-----	\$190,869,795	\$192,245,438	-----	\$192,245,438
Medical Assistance for the Aged										
Administration—Support.....	538	\$282,919	-----	\$282,919	-----	-----	-----	-----	-----	-----
Assistance—Local Assistance.....	947	45,200,389	-----	45,200,389	-----	-----	-----	-----	-----	-----
Administration—Local Assistance.....	947	2,518,187	-----	2,518,187	-----	-----	-----	-----	-----	-----
Totals, Medical Assistance for the Aged.....		\$48,001,495	-----	\$48,001,495	-----	-----	-----	-----	-----	-----
Administration of Public Assistance Programs—										
Departmental Expenditures.....	538	\$222,344	-----	\$222,344	-----	-----	-----	-----	-----	-----
Totals, Public Assistance Programs.....		\$493,576,990	-----	\$493,576,990	\$506,475,535	-----	\$506,475,535	\$583,698,334	-----	\$583,698,334
Division of Protective Social Service—Support.....	538	-----	-----	-----	3,463,172	-----	3,463,172	3,943,999	-----	3,943,999
Child Welfare Services										
Support.....	538	-----	-----	-----	379,300	-----	379,300	394,472	-----	394,472
Civil Defense activities—Support.....	538	12,701	-----	12,701	12,586	-----	12,586	15,675	-----	15,675
Special Social Service Program—Local Assistance.....	948	11,969,926	-----	11,969,926	24,253,947	-----	24,253,947	25,317,254	-----	25,317,254
Totals, Department of Social Welfare.....		\$505,559,617	-----	\$505,559,617	\$534,584,540	-----	\$534,584,540	\$613,369,734	-----	\$613,369,734
Medical Assistance Program—Local Assistance.....	957	74,130,620	-----	74,130,620	318,291,787	-----	318,291,787	346,348,089	-----	346,348,089
Totals, Health and Welfare.....		\$617,213,309	\$8,523,354	\$625,736,723	\$912,777,356	\$13,208,683	\$925,986,039	\$1,021,900,246	\$14,153,592	\$1,036,063,838
DEPARTMENT OF INDUSTRIAL RELATIONS:										
Manpower Development and Training Act.....	543	\$168,075	-----	\$168,075	\$681,993	-----	\$681,993	\$689,382	-----	\$689,382
Department of Industrial Relations—Support.....	550	-----	\$14,015	14,015	-----	\$23,863	23,863	-----	\$24,774	24,774
Totals, Department of Industrial Relations.....		\$168,075	\$14,015	\$182,090	\$681,993	\$23,863	\$705,856	\$689,382	\$24,774	\$714,156

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
JUSTICE:										
Department of Justice										
Criminal Justice Information System Study.....	555							\$105,350		\$105,350
Joint Council on Technology and Administration of Justice.....	555							5,208		5,208
Services to National Crime Information Center.....	558								\$34,376	34,376
Totals, Justice.....								\$110,558	\$34,376	\$144,934
MILITARY DEPARTMENT:										
Maintenance and Operations of Installations.....	565	\$504,328		\$504,328	\$611,030		\$611,030	\$622,113		\$622,113
Reimbursement for Civil Defense.....	566		\$12,837	12,837		\$14,307	14,307		\$14,660	14,660
Army National Guard.....										
Operational Support.....	565		(20,685,550)	(20,685,550)		(21,308,972)	(21,308,972)		(22,050,000)	(22,050,000)
Drill Pay.....	565		(8,825,954)	(8,825,954)		(9,078,992)	(9,078,992)		(9,600,000)	(9,600,000)
Air National Guard.....										
Operational Support.....	565		(8,682,529)	(8,682,529)		(9,037,555)	(9,037,555)		(9,489,433)	(9,489,433)
Drill Pay.....	565		(1,264,542)	(1,264,542)		(1,804,997)	(1,804,997)		(1,895,247)	(1,895,247)
Totals, Military Department.....		\$504,328	\$12,837 (39,458,575)	\$517,165 (39,458,575)	\$611,030	\$14,307 (41,230,516)	\$625,337 (41,230,516)	\$622,113	\$14,660 (43,034,680)	\$636,773 (43,034,680)
REGULATION AND LICENSING:										
Department of Professional and Vocational Standards:										
Board of Nursing Education and Nurse Registration.....	628									
Demonstration Project in Specialized Training.....										
Totals, Regulation and Licensing.....										
RESOURCES:										
Resources Agency—Support.....	653									
Department of Conservation—Support ^a	658	\$1,076,080	\$1,051,514	\$2,127,594	\$178,000	\$1,546,450	\$2,584,972	\$84,254	\$1,598,040	\$2,669,224
Totals, Resources.....		\$1,076,080	\$1,051,514	\$2,127,594	\$178,000	\$1,546,450	\$2,584,972	\$84,254	\$1,598,040	\$2,669,224
Department of Fish and Game										
Game Management.....	672	\$673,999		\$673,999	\$857,550		\$857,550	\$847,032		\$847,032
Fisheries Management.....	672	343,660		343,660	388,275		388,275	380,632		380,632
Commercial Fisheries Program.....	672				210,836		210,836	223,796		223,796
Administration, Staff Operations, Marine Resources Operations and Regional Operations.....	688		\$483,111	483,111					\$493,385	493,385
Totals, Department of Fish and Game.....		\$1,017,659	\$483,111	\$1,500,770	\$1,456,661		\$1,456,661	\$1,451,460	\$493,385	\$1,944,845
Department of Parks and Recreation										
Land and Water Conservation Fund Act.....	707									
Land and Water Conservation Fund Act—Local Assistance.....	969				\$4,006,045		\$4,006,045			\$4,006,045
Land and Water Conservation Fund Act—Unallocated.....										
Totals, Department of Parks and Recreation.....					\$4,006,045		\$4,006,045			\$4,006,045
Department of Water Resources										
Surface Water Quality Data.....	722		\$4,541	4,541						
North Coastal Flood Operations.....	722		195,840	195,840						
Totals, Department of Water Resources.....			\$4,541	4,541						

^a Clark McNary funds reported as a grant but for budgeting purposes accounted as revenue.

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
Resources—Continued										
Department of Water Resources—Continued										
Flood Emergency.....	772		\$163,268	\$163,268						
Water Quality Control Board										
Construction of Waste Treatment Plants.....	779		(7,582,460)	(7,582,460)						
San Francisco Bay-Delta Water Quality Study.....	779	\$70,000		70,000						
Water Quality Control Board—Support.....	779	225,513		225,513	\$294,200		294,200	\$294,200		294,200
Totals, Department of Water Resources.....		\$293,513	\$363,649 (7,582,460)	\$659,162 (7,682,460)	\$294,200	\$4,500 (7,685,050)	\$208,700 (7,555,050)	\$294,200	\$4,500 (10,000,000)	\$298,700 (10,000,000)
Totals, Resources.....		\$2,389,252	\$1,808,274 (7,582,460)	\$4,287,526 (7,582,460)	\$7,033,428	\$2,047,188 (7,585,050)	\$0,080,616 (7,685,050)	\$6,333,901	\$2,120,825 (10,000,000)	\$8,454,726 (10,000,000)
TRANSPORTATION:										
Department of Public Works										
Supervision of Outdoor Advertising.....	819				\$63,000		\$63,000			
Local Roads and Highways—Local Assistance.....	889	\$9,318,121		\$9,318,121	3,629,491		3,629,491	\$8,551,421		\$8,551,421
Totals, Transportation.....		\$9,318,121		\$9,318,121	\$3,602,491		\$3,602,491	\$8,551,421		\$8,551,421
VETERANS AFFAIRS:										
Veterans' Home of California										
Care and Maintenance of Veterans.....	828	\$1,551,603		\$1,551,603	\$1,544,285		\$1,544,285	\$1,578,625		\$1,578,625
POVERTY REDUCTION:										
Poverty Reduction and Prevention Program.....	832				\$5,385,281		\$5,385,281	\$2,144,339		\$2,144,339
MISCELLANEOUS:										
California Arts Commission.....	846				\$50,000		\$50,000	\$50,000		\$50,000
Chile-California Project.....	848	\$357,786		\$357,786	813,000		813,000	1,000,000		1,000,000
San Francisco Port Authority										
Waste Treatment Works Construction.....	851		(36,000)	(36,000)						
Migrant Master Plan.....	857	3,057,176		3,057,176	4,636,354		4,636,354	4,191,222		4,191,222
Totals, Miscellaneous.....		\$3,414,962		\$3,414,962 (36,000)	\$5,499,354		\$5,499,354 (17,000)	\$5,241,222		\$5,241,222
OTHER PURPOSES:										
Storm and Flood Damage Repair—Local Assistance.....	995	\$5,719,029		\$5,719,029	\$398,075		\$398,075			
Planning Grants for Local Jurisdictions—Local Assistance.....	996	1,505,053		1,505,053	1,500,000		1,500,000	\$1,600,000		\$1,600,000
Totals, Other Purposes.....		\$7,224,082		\$7,224,082	\$1,898,075		\$1,898,075	\$1,600,000		\$1,600,000
SHARED REVENUES:										
Federal Receipts from Flood Control Land—Local Assistance.....	998	\$86,261		\$86,261	\$119,021		\$119,021	\$120,000		\$120,000
Federal Receipts from Forest Reserves—Local Assistance.....	998	6,061,359		6,061,359	6,135,009		6,135,009	6,150,000		6,150,000
Federal Receipts from Grazing Lands—Local Assistance.....	998	49,952		49,952	60,645		60,645	61,000		61,000
Federal Potash Lease Rentals—Local Assistance.....	998	459,499		459,499	476,471		476,471	480,000		480,000
Totals, Shared Revenues.....		\$5,657,071		\$5,657,071	\$6,791,146		\$6,791,146	\$6,811,000		\$6,811,000
TOTALS.....		\$1,324,658,187	\$371,496,925 (51,969,642)	\$1,696,155,112 (51,969,642)	\$1,514,153,860 (642,000)	\$388,979,709 (56,974,418)	\$1,903,133,569 (57,616,418)	\$1,615,162,152 (875,000)	\$403,569,023 (58,234,680)	\$2,018,731,175 (59,109,680)

Schedule 7—SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1967—68

Function	Proposed Budget Act of 1967			Fixed Charges			Prior Year Appropriations, Continuing Appropriations and Reappropriations			Total Expenditures
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total	
CURRENT EXPENSES:										
SUPPORT										
Legislative.....	\$15,250,785		\$15,250,785	\$1,935,000		\$1,935,000		\$467,517	\$467,517	\$17,653,302
Judicial.....	4,748,513		4,748,513	111,680		111,680				4,860,193
Executive.....	2,987,612		2,987,612							2,987,612
General Administration.....	11,895,911	\$4,301,771	16,197,682		\$14,469	14,469	\$109,959		109,959	16,408,110
Agriculture.....	12,440,640	10,894,781	23,335,421		3,061,800	3,061,800				26,397,221
Corrections.....	115,194,097		115,194,097				43,090		43,090	115,237,187
Education.....	13,952,915		13,952,915							13,952,915
Higher Education.....	358,048,750	285,000	358,333,750							358,333,750
Employment.....		576,542	576,542							576,542
Fiscal Affairs.....	42,807,450	3,537,501	46,344,951							46,344,951
Health and Welfare.....	205,459,295		205,459,295							205,459,295
Industrial Relations.....	20,714,510	184,417	20,898,927							20,898,927
Justice.....	15,322,970	111,775	15,434,745							15,434,745
Military Affairs.....	3,600,762		3,600,762							3,600,762
Regulations and Licensing.....	13,971,095	26,969,550	40,940,645							40,940,645
Resources.....	64,175,148	14,616,548	78,791,696							78,791,696
Transportation.....		129,710,215	129,710,215							129,710,215
Veterans Affairs.....	7,307,354		7,307,354							7,307,354
Poverty Reduction.....	180,672		180,672							180,672
Miscellaneous.....	1,918,966		1,918,966	10,000		10,000				1,928,966
Debt Service.....	15,865,241		15,865,241	62,533,700		62,533,700				78,398,941
Unallocated.....	5,283,232	36,560	5,319,792				5,965,255		5,965,255	11,285,047
Credits to General Fund for overhead services charged to agencies supported from Special Funds ^a	—8,010,000		—8,010,000							—8,010,000
Estimated Unidentified Savings ^a	—7,500,000		—7,500,000							—7,500,000
TOTALS, SUPPORT.....	\$915,615,918	\$191,224,660	\$1,106,840,578	\$64,590,380	\$94,284,311	\$158,874,691	\$6,204,304	\$717,517	\$6,921,821	\$1,272,637,090
General Fund.....										<i>\$986,416,602</i>
Special Funds.....										<i>286,220,488</i>
LOCAL ASSISTANCE										
SUBVENTIONS:										
Agriculture.....	\$181,600		\$181,600							\$3,011,600
Corrections.....	6,572,500		6,572,500							6,930,442
Education.....	108,449,622		108,449,622	\$1,144,896,091	2,900,000	1,147,796,091	\$306,942		\$306,942	1,256,245,713
Health and Welfare.....	74,574,798		74,574,798	639,252,958		639,252,958				713,827,756
Resources.....	15,881,731		15,881,731				—4,021,163		—2,021,163	17,860,568
Transportation.....		\$550,000	550,000							15,043,500
Other Purposes.....	6,536,000	995,200	7,531,200	1,265,920	27,531	1,293,451	—113,127	150,000	36,873	8,861,524
Shared Revenues.....				309,404		309,404				468,313,404
TOTALS, LOCAL ASSISTANCE.....	\$212,196,251	\$1,545,200	\$213,741,451	\$1,785,721,373	\$492,258,031	\$2,277,979,404	—\$3,767,348	\$2,150,000	—\$1,617,348	\$2,490,103,507
General Fund.....										<i>\$1,094,150,276</i>
Special Funds.....										<i>495,953,281</i>
State Beach, Park, Recreational and Historical Facilities Fund.....										(9,485,533)
TOTALS, OPERATIONS.....	\$1,127,812,169	\$192,769,860	\$1,320,582,029	\$1,950,311,753	\$586,542,342	\$2,436,854,095	\$2,436,956	\$2,867,517	\$5,304,473	\$3,762,740,597
General Fund.....										<i>\$2,080,660,878</i>
Special Funds.....										<i>782,170,719</i>
State Beach, Park, Recreational and Historical Facilities Fund.....										(9,485,533)

^a Not budget act items.

Schedule 8

COMPARATIVE STATEMENT OF FIXED CHARGES AND CONTROLLABLE EXPENDITURES FOR THE
FISCAL YEARS 1965-66, 1966-67, AND 1967-68

Purpose and Legal Citation	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
FIXED CHARGES									
Fixed by Constitution:									
Legislative:									
Salaries of State Legislators:									
Section 2(b), Article IV	\$707,918		\$707,918	\$360,000		\$360,000			
Debt Service:									
Bond Interest and Redemption:									
Various Bond Acts Ratified in the Constitution	37,292,944		37,292,944	51,330,866		51,330,866	\$62,533,700		\$62,533,700
Public School Buildings Bonds Ratified in the Constitution	50,110,455		50,110,455	52,492,099		52,492,099	55,742,491		55,742,491
TOTALS, CONSTITUTIONAL FIXED CHARGES	\$88,111,317		\$88,111,317	\$104,182,965		\$104,182,965	\$118,276,191		\$118,276,191
Fixed by Statutes:									
Legislative:									
Salaries of State Legislature:									
Section 8901, Government Code				\$960,000		\$960,000	\$1,935,000		\$1,935,000
Judicial:									
Supreme and Appellate Courts:									
Contributions to Judges Retirement Fund, Section 75101, Government Code	\$95,771		\$95,771	107,846		107,846	111,680		111,680
General Administration:									
Office of Local Assistance, Section 186.95 Streets and Highways Code		\$17,881	17,881					\$14,469	14,469
Agriculture:									
District Agricultural Fairs:									
Sections 19622 and 19627, Business and Professions Code		3,305,700	3,305,700		3,329,800	3,329,800		3,061,800	3,061,800
County Agricultural Fairs:									
Sections 19622, 19626, 19627 and 19630, Business and Professions Code and Sections 193 and 196, Government Code		2,376,657	2,376,657		3,473,920	3,473,920		2,830,000	2,830,000
Education:									
Apportionment to Public Schools:									
Sections 17301, 17305-7, 17451-17456, 18251, 18270, 18303, 20211 and 6421-6434, 6441-6444, 6750-6762, 6916 Education Code	994,484,780	2,803,495	997,288,275	1,089,029,191	2,884,807	1,091,913,998	1,089,153,600	2,900,000	1,092,053,600
Health and Welfare:									
Aid to Blind:									
Section 15202, Welfare and Institutions Code	8,664,664		8,664,664	7,157,400		7,157,400	7,291,000		7,291,000
Section 14100, Welfare and Institutions Code	1,344,398		1,344,398						
Aid to Potentially Self-Support Blind:									
Section 15203, Welfare and Institutions Code	103,730		103,730	230,300		230,300	401,600		401,600
Section 14100, Welfare and Institutions Code	4,868		4,868						
Aid to Disabled:									
Section 15204, Welfare and Institutions Code	48,957,010		48,957,010	59,100,600		59,100,600	68,314,900		68,314,900
Section 14100, Welfare and Institutions Code	8,658,312		8,658,312						

Schedule 8—FIXED CHARGES AND CONTROLLABLE EXPENDITURES—Continued

Purpose and Legal Citation	Actual 1955-56			Estimated 1956-57			Estimated 1957-58		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
FIXED CHARGES—Continued									
Fixed by Statutes—Continued									
Health and Welfare—Continued									
Aid to Families with Dependent Children:									
Section 11200, Welfare and Institutions Code.....	\$125,063,023		\$125,063,023						
Section 14100, Welfare and Institutions Code.....	4,093,300		4,093,300						
						\$144,732,800			\$144,732,800
									\$181,075,700
Old Age Security:									
Section 15901, Welfare and Institutions Code.....	144,487,454		144,487,454	140,841,400		140,841,400	150,205,000		150,205,000
Section 14100, Welfare and Institutions Code.....	5,278,883		5,278,883						
Medical Assistance for the Aged:									
Section 14601, Welfare and Institutions Code.....	20,237,715		20,237,715						
Aid to victims of crimes of violence									
Section 11200, Welfare and Institutions Code.....	2,888		2,888	67,500		67,500	07,500		07,500
Medical Assistance Program									
Chapter 4, Statutes of 1965, Second Extraordinary Session,									
Section 14157, Welfare and Institutions Code.....	61,891,302		61,891,302	170,698,273		170,698,273	231,297,258		231,297,258
Resources:									
Harbors and Watercraft:									
Section 8352(g), Revenue and Taxation Code.....			4,000,000					\$4,000,000	4,000,000
Transportation:									
State Highways:									
Section 183, Streets and Highways Code, and Section 5323, Busi-									
ness and Professions Code.....			80,473,823						90,383,399
Sections 2210.5 and 143.3, Streets and Highways Code.....			7,874,959						8,302,700
Section 100, Streets and Highways Code.....			4,001,909						5,000,000
Section 1231.1, Public Utilities Code.....									250,000
									250,000
County Airports:									
Section 8352, Revenue and Taxation Code.....		415,552	415,552					1,900,000	1,900,000
Miscellaneous and Other Purposes:									
Judges of Superior and Municipal Courts:									
Contribution to Judges' Retirement Fund, Section 75101, Govern-									
ment Code.....	1,209,722		1,209,722	1,640,204		1,640,204	1,205,920		1,205,920
Personal Services Not Elsewhere Classified:									
Retirement Contributions, Section 20122, Government Code.....				10,000		10,000	10,000		10,000
Storm and Flood Damage Repair, Section 186.95, Streets and High-									
ways Code.....		11,519,924	11,519,924					27,531	27,531
Shared Revenues:									
Apportionment of Liquor License Fees:									
Section 25761, Business and Professions Code.....		11,591,044	11,591,044					12,007,000	12,007,000
Apportionment of Motor Vehicles License Fees (In Lieu Tax):									
Sections 11003.3 and 11005, Revenue and Taxation Code.....		182,525,241	182,525,241					190,700,000	190,700,000
Apportionment of Highway Properties Rental Receipts:									
Section 104.10, Streets and Highways Code.....		701,840	701,840					000,000	600,000
Apportionment of Motor Vehicle Fuel Taxes to Counties:									
Sections 2104, 2105 and 2106, Streets and Highways Code.....		112,601,325	112,601,325					123,300,000	123,300,000
Apportionment of Motor Vehicle Fuel Taxes to Cities:									
Sections 194, 2107, and 2107.5, Streets and Highways Code.....		52,298,122	52,298,122					50,500,000	50,500,000

Schedule 8 — FIXED CHARGES AND CONTROLLABLE EXPENDITURES — Continued

Purpose and Legal Citation	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
FIXED CHARGES—Continued									
FIXED BY STATUTES—Continued									
Shared Revenues—Continued									
Apportionment of Motor Vehicle Fuel Taxes to City and Counties:									
Section 186.1, Streets and Highways Code.....		\$72,560,713	\$72,560,713		\$76,100,000	\$76,100,000		\$78,900,000	\$78,900,000
Apportionment of Tideland Revenues:									
Section 6817, Public Resources Code.....	\$252,043		252,043	\$270,094		270,094	\$306,404		306,404
TOTALS, STATUTORY FIXED CHARGES.....	\$1,426,729,869	\$550,148,786	\$1,976,878,655	\$1,629,851,608	\$571,321,901	\$2,201,173,509	\$1,732,035,562	\$586,542,342	\$2,318,577,904
TOTALS, FIXED CHARGES.....	\$1,514,841,186	\$550,148,786	\$2,064,989,972	\$1,734,034,573	\$571,321,901	\$2,305,356,474	\$1,850,311,753	\$586,542,342	\$2,436,854,095
<i>Support.....</i>	<i>\$38,096,633</i>	<i>\$83,797,404</i>	<i>\$121,894,037</i>	<i>\$62,768,712</i>	<i>\$93,797,410</i>	<i>\$146,496,122</i>	<i>64,560,830</i>	<i>\$94,284,511</i>	<i>\$158,874,691</i>
<i>Local Assistance.....</i>	<i>1,476,744,553</i>	<i>466,351,882</i>	<i>1,943,096,435</i>	<i>1,681,266,861</i>	<i>477,694,491</i>	<i>2,158,961,352</i>	<i>1,785,721,373</i>	<i>492,258,031</i>	<i>2,277,979,404</i>
CONTROLLABLE EXPENDITURES									
Expenditures from appropriations and authorizations which are subject to legislative or executive determinations, including Budget Act appropriations, special appropriations, balances available in prior year appropriations made available for expenditure for more than one fiscal year, and deficiency authorizations.									
<i>Support.....</i>	<i>\$885,215,581</i>	<i>\$151,643,533</i>	<i>\$1,036,864,064</i>	<i>\$1,004,230,103</i>	<i>\$188,637,500</i>	<i>\$1,192,817,603</i>	<i>\$931,830,232</i>	<i>\$191,942,177</i>	<i>\$1,118,762,399</i>
<i>Local Assistance.....</i>	<i>156,154,639</i>	<i>1,697,681</i>	<i>157,852,320</i>	<i>217,873,144</i>	<i>3,408,629</i>	<i>221,276,773</i>	<i>203,438,903</i>	<i>3,606,200</i>	<i>212,124,103</i>
TOTALS, CONTROLLABLE EXPENDITURES.....	\$1,041,370,230	\$153,346,214	\$1,194,716,444	\$1,222,103,247	\$191,991,129	\$1,414,094,376	\$1,130,249,125	\$195,637,377	\$1,325,886,502
TOTALS, OPERATIONS.....	\$2,556,211,416	\$703,495,000	\$3,259,706,416	\$2,956,137,820	\$763,313,030	\$3,719,450,850	\$2,980,560,878	\$782,179,719	\$3,762,740,597

Schedule 9

Expenditures for the 1965-66 and 1966-67 Fiscal Years—RECONCILIATION OF THE CHANGES FROM THE PREVIOUS BUDGET ESTIMATES

1905-06 Fiscal Year												
	1906-07 Governor's Budget Estimated Expenditure	Savings	1907-08 Governor's Budget Actual	1906-07 Budget as Submitted	Effect of Legislative Action	Total Proposed Expenditures	Prior Year Balance Forward Adjustments	Transfers	Allocations	Deficiency Appropriations	Estimated Savings	Estimated Expenditures
GENERAL FUND												
SUPPORT												
Legislative.....	\$13,940,553	\$58,901	\$13,105,454	\$13,400,884	\$1,552,900	\$15,013,784	\$50,805	-----	\$770,384	-----	-\$51,389	\$15,789,674
Judicial.....	4,310,340	-80,983	4,223,357	4,584,075	470,900	5,054,975	-----	-----	82,494	-----	-122,505	5,014,094
Executive.....	3,914,910	-341,241	2,670,678	3,910,209	-55,000	2,955,200	-----	-----	82,100	-----	-16,193	3,921,335
General Administration.....	13,410,184	-412,833	12,976,351	15,809,075	60,901	15,926,700	-117,371	\$272,092	842,161	-----	-394,539	16,010,949
Agriculture.....	12,800,324	-354,987	12,515,237	13,058,793	174,949	13,233,742	-----	-----	481,727	-----	-235,551	13,470,918
Corrections.....	108,348,794	-1,870,405	106,478,299	110,197,511	-613,957	115,493,554	19,116	122,300	0,637,794	-----	-670,978	121,092,500
Education.....	13,092,227	-610,508	12,901,721	13,738,198	-178,027	13,560,081	2,888	-----	1,910,953	-----	-74,540	14,507,476
Higher Education.....	359,054,228	-3,987,407	310,906,701	406,357,400	-2,030,492	408,727,064	194,269	-30,090	19,799,087	-----	-1,278,445	422,226,566
Fiscal Affairs.....	40,451,425	-31,710	40,419,709	43,018,036	-493,784	43,124,852	-----	-----	2,188,457	-----	-74,167	45,239,142
Health and Welfare.....	217,875,426	-7,573,843	210,391,583	221,320,954	-13,487,542	207,891,512	1,289,677	11,793,433	0,681,081	-----	-4,841,961	222,715,342
Industrial Relations.....	19,069,059	-812,925	19,153,134	20,938,223	-3,921	20,935,292	12,003	-----	995,412	-----	-83,078	21,839,109
Justice.....	13,049,039	-1,298,474	12,441,165	10,597,376	-903,518	15,543,858	-----	-80,309	703,336	-----	-470,055	15,744,239
Military Department.....	4,151,900	-95,088	4,059,281	3,569,089	83,092	3,652,082	-----	-----	240,892	-----	-1,244	3,892,339
Regulation and Licensing.....	13,705,223	-244,444	13,556,779	14,301,087	23,758	14,384,845	-----	-----	736,573	-----	-63,297	15,959,389
Resources.....	63,523,364	-852,238	62,671,126	64,000,939	1,042,906	65,051,945	20,040	-1,116	2,828,900	-----	-576,030	67,923,898
Transportation.....	39,512	32,923	63,435	-----	-----	-----	-----	-----	-----	-----	-----	-----
Veterans Affairs.....	6,750,791	150,407	6,907,288	7,244,345	-181,228	7,063,117	-----	-----	244,930	-----	-15,216	7,261,937
Miscellaneous.....	1,632,027	-181,510	1,451,117	2,006,393	-152,436	2,513,807	6,827	-271,209	8,523	-----	-301,650	1,890,298
Debt Service.....	38,030,806	-126,400	38,810,340	59,545,139	1,350,779	60,991,999	-----	-----	177,290	-----	500,811	61,585,950
Unallocated.....	11,435,309	-809,098	10,575,271	63,192,232	2,281,809	65,381,941	1,251,357	-303,000	-62,102,000	\$0,202,725	-2,900,638	10,465,723
Pro Rata General Fiscal Charges.....	-6,800,000	-1,289,922	-8,089,922	-7,209,000	-----	-7,209,000	-----	-----	-----	-----	-1,700,000	-8,900,000
Estimated Unidentified Savings.....	-3,000,000	+3,000,000	-----	-4,000,000	-3,500,900	-7,500,900	-----	-----	-----	-----	-12,500,000	-20,000,000
Increased Productivity Savings.....	-----	-----	-----	-15,000,000	-----	-15,000,000	-----	-----	-----	-----	15,800,000	-----
Totals, Support.....	\$941,973,080	-\$17,701,525	\$923,312,104	\$1,070,808,295	-\$14,550,139	\$1,062,312,105	\$2,038,291	\$11,338,021	-\$17,509,508	\$0,202,725	-\$19,883,320	\$1,050,008,815
LOCAL ASSISTANCE												
Agriculture.....	\$171,550	\$11	\$171,507	\$290,000	-----	\$290,000	-----	-----	-----	-----	-\$125,000	\$171,000
Corrections.....	3,796,955	-452,109	3,343,846	4,057,006	-324,396	4,393,390	\$205,000	-----	-----	-----	-717,038	3,891,358
Education.....	1,152,879,547	-32,071,803	1,120,807,744	1,239,198,852	19,984,053	1,250,192,905	7,118	-----	\$11,917,938	-----	-9,161,374	1,251,908,587
Health and Welfare.....	480,118,535	-209,089	480,008,555	574,141,045	-14,192,513	509,938,532	4,040,678	-\$11,339,737	5,241,396	-----	56,061,193	614,051,902
Resources.....	21,572,743	-9,027,350	11,045,387	21,344,539	-----	21,344,539	2,702,183	-----	-----	-----	-9,971,742	17,974,971
Transportation.....	-----	-----	-----	3,000,000	3,900,000	3,000,000	-----	-----	395,909	-----	3,900,000	3,900,000
Other Purposes.....	7,450,826	312,084	7,760,810	8,372,149	44,316	8,416,465	67,545	-----	-----	-----	-765,047	8,113,333
Shared Revenues.....	-----	252,943	252,943	-----	-----	-----	-----	-----	-----	-----	270,091	270,091
Totals, Local Assistance.....	\$1,674,995,102	-\$42,095,019	\$1,632,899,252	\$1,838,950,872	\$7,791,556	\$1,846,052,428	\$7,008,494	-\$11,339,737	\$17,554,334	-----	\$89,203,486	\$1,860,139,905
Totals, Operations.....	\$2,610,908,851	-\$59,857,435	\$2,550,211,410	\$2,915,810,107	-\$6,854,574	\$2,908,961,593	\$9,706,005	-\$1,110	-\$115,234	\$0,202,725	\$28,329,157	\$2,956,137,929

Schedule 9—Expenditures for the 1965-66 and 1966-67 Fiscal Years
RECONCILIATION OF THE CHANGES FROM THE PREVIOUS BUDGET ESTIMATES—Continued

	1965-66 Fiscal Year			1966-67 Fiscal Year										
	1966-67 Governor's Budget Estimated Expenditure	Savings	1967-68 Governor's Budget Actual	1966-67 Budget as Submitted	Effect of Legislative Action	Total Proposed Expenditures	Prior Year Balance Forward Adjustments	Transfers	Allocations	Deficiency Appropriations	Estimated Savings	Estimated Expenditures		
SPECIAL FUNDS	SUPPORT	Legislative.....	—\$353,023	—\$601,851	—\$1,018,474	\$443,100	—	\$413,109	\$670,840	—	—	—\$825,806	\$287,053	
		General Administration.....	4,147,992	—151,882	3,000,110	4,065,014	—	4,065,014	17,110	\$110,825	—	—523,825	3,650,733	
		Agriculture.....	13,306,780	—107,904	13,138,885	13,443,097	—	13,443,097	—	807,367	—	—62,800	14,108,114	
		Higher Education.....	226,000	—	226,000	186,000	\$100,000	286,000	—	—	—	—	285,000	
		Employment.....	413,446	36,392	419,838	402,000	—	402,000	—	409,368	—	—5,757	806,601	
		Fiscal Affairs.....	3,276,609	—84,554	3,102,025	3,306,825	—	3,306,826	—	148,603	—	—18,092	3,437,336	
		Highway Transportation.....	181,386,002	—2,702,465	178,591,227	203,230,149	—131,046	203,008,203	—	4,686,800	—	+8,889,942	216,173,954	
		Industrial Relations.....	183,022	—18,201	165,631	101,378	—	101,378	—	3,454	—	—10,415	184,417	
		Justice.....	87,474	—3,658	83,786	105,344	—	105,344	—	4,746	—	—4,746	105,344	
		Regulation and Licensing.....	24,748,402	—1,405,652	23,282,850	26,084,700	—110,641	26,074,110	—	1,255,510	—	—290,917	26,029,742	
		Resources.....	13,480,683	—102,115	13,318,568	14,165,548	13,800	14,170,348	12,434	—\$12,434	369,786	—40,044	14,509,090	
		Unallocated.....	18,100	—1,708	16,401	14,795,280	—131,044	14,663,336	—	—	—6,389,233	\$15,931	—6,651,508	1,638,526
		Increased Productivity Savings.....	—	—	—	—6,000,000	—	—5,000,000	—	—	—	5,000,000	—	—
		Totals, Support.....	\$240,022,555	—\$5,476,648	\$235,446,037	\$275,600,604	—\$260,731	\$275,248,873	\$700,393	—\$12,434	\$1,406,265	\$15,931	\$4,955,882	\$282,314,910
LOCAL ASSISTANCE	Agriculture.....	\$3,008,050	—\$722,203	\$2,370,657	\$2,046,200	—	\$2,046,200	\$710,250	—	—	—	\$3,870,520		
	Education.....	3,206,001	108,703	3,374,854	2,710,830	\$188,000	2,898,830	60,641	\$520,070	—	\$334,807	3,294,278		
	Health and Welfare.....	15,120,566	—1,286,509	13,812,857	14,912,027	000,000	15,812,627	64,758	—	—	600,073	15,377,458		
	Highway Transportation.....	4,000,000	—66,074	3,903,020	4,000,000	—	4,000,000	—	—	—	—	4,000,000		
	Resources.....	6,033,795	0,148,088	12,181,883	5,350,278	—	5,350,278	709,244	—	—	—2,523,351	3,566,171		
	Other Purposes.....	435,265,069	—2,806,183	432,368,880	450,500,000	—	455,500,000	—	—	—	—6,446,307	449,553,693		
	Shared Revenues.....	—	—	—	—	—	—	—	—	—	—	—	—	
Totals, Local Assistance.....	\$466,733,401	\$1,315,002	\$468,049,063	\$486,110,935	\$1,088,000	\$487,207,935	\$1,004,893	—	\$520,070	—	—\$8,334,778	\$480,998,120		
Totals, Operations.....	\$707,056,046	—\$4,161,646	\$703,495,000	\$701,029,539	\$827,260	\$702,456,808	\$2,305,286	—\$12,434	\$1,920,335	\$15,931	—\$3,378,896	\$703,313,030		

Schedule 10

STATEMENT OF BONDED DEBT OF THE STATE OF CALIFORNIA AS OF NOVEMBER 30, 1966

This statement does not include bonds issued under authority of state instrumentalities such as the Toll Bridge Authority, Water Project Authority, Board of Harbor Commissioners, World Trade Center Authority, State Colleges, and the University of California, as these bonds are not general obligations of the State of California.

Name of issue	Rate of interest	Date of maturity	Authorized	Unsold	Redemptions	Outstanding	Amounts in sinking funds for payment of principal
GENERAL OBLIGATION BONDS							
GENERAL FUND BONDS							
California Tenth Olympiad of 1927	4½%	1932-71	\$1,000,000		\$875,000	\$125,000	\$76,691
State School Building Aid of 1949	1-4½%	1952-78	250,000,000		126,000,000	124,000,000	
State School Building Aid of 1952	¾-5%	1955-90	185,000,000		60,500,000	124,500,000	
State School Building Aid of 1954	3¼-5%	1959-84	100,000,000		26,800,000	73,200,000	
State School Building Aid of 1956	1-5%	1960-85	100,000,000		21,400,000	78,600,000	
State School Building Aid of 1958	3-5%	1961-87	220,000,000		33,800,000	186,200,000	
State School Building Aid of 1960	1/10-5%	1963-90	300,000,000		27,200,000	272,800,000	
State School Building Aid of 1962	1/20-5%	1966-91	200,000,000		3,200,000	196,800,000	
State School Building Aid of 1964	3-5%	1967-92	260,000,000	\$110,000,000		150,000,000	
State School Building Aid of 1966			275,000,000	275,000,000			
State Construction Program Bond Act of 1955	3¼-5%	1959-85	200,000,000		41,000,000	159,000,000	
State Construction Program Bond Act of 1958	1/10-5%	1962-89	200,000,000		24,000,000	176,000,000	
State Construction Program Bond Act of 1962	1/20-5%	1965-91	270,000,000		8,000,000	262,000,000	
State Construction Program Bond Act of 1964	3.1-4¾%	1967-91	380,000,000	200,000,000		180,000,000	
State Higher Education Construction Program Bond Act of 1966			230,000,000	230,000,000			
State Beach, Park, Recreational, and Historical Facilities Bond Act of 1964	3.1-5%	1967-87	150,000,000	75,000,000		75,000,000	
Totals			\$3,321,000,000	\$890,000,000	\$372,775,000	\$2,058,225,000	\$76,691
SELF-LIQUIDATING BONDS²							
California Water Resources Development Bond Act of 1959	1/20-5%	1973-2016	\$1,750,000,000	\$1,200,000,000		\$550,000,000	
HARBOR BOND FUNDS							
San Francisco Harbor Improvement of 1909 ³	4%	1951-85	\$9,000,000		\$6,824,000	\$2,176,000	\$67,673
San Francisco Harbor Improvement of 1913 ⁴	4%	1955-89	10,000,000	\$550,000	6,369,000	3,081,000	78,516
San Francisco Harbor Improvement of 1929	1½-3¼%	1952-83	10,000,000		4,965,000	5,035,000	270,039
India Basin of 1909 ⁵	4%	1941-85	1,000,000	147,000	596,000	257,000	15,673
Harbor Development of 1958 ⁶	1-6%	1964-95	60,000,000	17,500,000	2,735,000	39,765,000	723,932
Totals, Harbor Bond Funds			\$90,000,000	\$18,197,000	\$21,489,000	\$50,314,000	\$1,155,833
VETERANS FARM AND HOME BUILDING FUND BONDS							
Veterans Welfare of 1946	2-2½%	1949-71	\$100,000,000		\$79,440,000	\$20,560,000	
Veterans Welfare of 1949	1½-4%	1952-72	100,000,000		69,350,000	30,650,000	
Veterans Welfare of 1951	1¾-2½%	1954-75	150,000,000		85,650,000	64,350,000	
Veterans Welfare of 1954	¾-5%	1957-77	175,000,000		74,300,000	100,700,000	
Veterans Welfare of 1956	1-5%	1958-84	500,000,000		138,200,000	361,800,000	
Veterans Welfare of 1958	3¼-5%	1961-86	300,000,000		45,900,000	254,100,000	
Veterans Welfare of 1960	1/20-5%	1962-89	400,000,000		40,800,000	359,200,000	
Veterans Welfare of 1962	3-5%	1966-86	250,000,000	\$150,000,000	2,100,000	97,900,000	
Totals, Veterans Farm and Home Building Fund Bonds			\$1,975,000,000	\$150,000,000	\$535,740,000	\$1,289,260,000	
TOTALS, SELF-LIQUIDATING BONDS			\$3,815,000,000	\$1,368,197,000	\$557,229,000	\$1,889,574,000	\$1,155,833
TOTALS, ALL BONDS			\$7,136,000,000	\$2,258,197,000	\$930,004,000	\$3,947,799,000	\$1,232,524
Less: Amounts in Sinking Funds available for payment of principal						1,232,524	
NET BONDED DEBT						\$3,946,566,476	

¹ The school districts of the State of California pay part of the debt service for the state school building aid bond issues.

² The revenues derived from the California Water Resource Development Bond Fund, the San Francisco Harbor Improvement Fund, the Small Craft Harbor Improvement Fund, and the Farm and Home Building Fund of 1943 finance the debt service costs that are paid from the General Fund.

³ Callable on or after July 1, 1951 by lot.

⁴ Callable on or after July 2, 1955 by lot.

⁵ Callable on or after January 1, 1941 by lot.

⁶ Chapter 103, Statutes of 1958, First Extraordinary Session authorized \$50,000,000 for the development of the San Francisco Harbor, and \$32,500,000 in bonds have been sold; and also authorized \$10,000,000 for the development of small craft harbors and these bonds have been issued and sold.

**CAPITAL OUTLAY BUDGET
AND
FIVE-YEAR CONSTRUCTION PROGRAM**

Capital Outlay Budget and Five-year Construction Program

GENERAL ANALYSIS

SCHEDULES

1. Comparative Statement of Expenditures by Program Function, Organization Unit and Fund.
2. Comparative Statement of Expenditures of Federal Aid Granted to the State of California.
3. Summary of Proposed Expenditures by Method of Appropriation.
4. Comparative Statement of Fixed Charges and Controllable Expenditures.
5. Reconciliation of Changes from Previous Budget Estimates.

DETAILED BUDGETS AND PROGRAMS

Capital Budget 1967-68

and

Five-Year Construction Program

Presented in this document are the capital budget for the 1967-68 fiscal year and the five-year construction program for the period beginning July 1, 1967, and ending June 30, 1972. Separating the capital budget from that for current operations makes it possible to include more informative explanations of the need for the recommended projects and permits a clearer presentation of the methods of financing for the various programs.

Following established principles of governmental accounting, expenditures from bond funds are not included in the budget totals because the expenditures are reported when payments are made for bond interest and redemption. All recommended outlays are presented regardless of the source of funds so that the capital budget can be viewed in total.

Recommended Program Continuing investment in physical facilities is necessary to provide for the projected increases in enrollments of the University of California and the State Colleges, the required added capacity in the state's mentally retarded hospitals and prisons, and to meet pressing needs for highways, water resource development, and recreation. To assist in the consideration of the capital budget, the proposed expenditures for 1967-68 are summarized by major program and source of funds in Table 1.

Table 1
Capital Outlay Expenditures for 1967-68
by Major Program
(In Thousands)

Program	Governmental cost funds	Bond issues	Total	Federal and other nonstate funds	Total program
State Building Program	\$18,340.7	\$150,681.4	\$169,022.1	\$121,563.5	\$290,585.6
District Fairs	1,279	-	1,279	-	1,279
Wildlife Conservation	2,606.5	537.3	3,143.7	290.4	3,434.1
Parks and Recreation	1,000	137.5	1,137.5	-	1,137.5
Highways	308,736.5	-	308,736.5	379,549.2	688,285.7
Water Facilities	10,675.4	358,386.3	369,061.8	15,325.7	384,387.5
Totals ^a	\$342,638	\$509,742.6	\$852,380.6	\$516,728.8	\$1,369,109.4

^a May not add exactly owing to rounding.

The proposed outlays for 1967-68 total \$342.6 million from governmental cost funds including \$308.7 million from the State Highway Fund. Also proposed are expenditures of \$150.7 million from the State Construction Program Fund, \$0.7 million from the State Beach, Park, Recreational and Historical Facilities Fund, \$202.2 million from the California Water Resources Development Bond Fund, \$156.2 million from the Central Valley Project Construction Fund, and \$516.7 million from federal and other nonstate sources.

State Building Program

The State Building Program is composed of projects required for additional enrollments in the state colleges and university, increased capacity in the hospitals for the mentally retarded, rising population in the correctional institutions and conservation camps, plus a limited number of projects needed for other activities.

HIGHER EDUCATION

University of California

Five-year Program (In Thousands)

1967-68	1968-69	1969-70	1970-71	1971-72	Total
\$101,234	\$183,657	\$248,576	\$161,985	\$121,391	\$816,842
57,657	95,167	149,658	100,612	69,118	472,212 ^a
43,577	88,490	98,917	61,372	52,274	344,630 ^b

^a Capital Outlay Fund for Public Higher Education, State Construction Program Fund (budget year includes projects totalling \$615 funded in prior years), and unfunded.

^b Federal and other nonstate funds.

The 1967-68 Capital Outlay Program for the University proposes a total expenditure of \$101,233,775. Of this total \$55,862,301 is proposed from the State Construction Program Fund; \$7,677,599 anticipated from the Higher Education Facilities Act, Title I; \$7,442,165 anticipated from United States Public Health Service grants; \$28,456,972 anticipated from other nonstate sources; and \$1,794,738 is proposed from the Capital Outlay Fund for Public Higher Education.

The total from the State Construction Program and federal grant programs for 1967-68 is \$72,161,103. Following is a breakdown of this total by type of project:

Project	Amount	Percent of Total
Equipment	\$4,976,000	6.9
Utilities and site development	13,526,000	18.7
New construction	45,292,000	62.7
Alterations	4,676,365	6.6
Planning and working drawings	1,896,000	2.6
Minor capital outlay	1,794,738	2.5
	\$72,161,103	100.0

The \$45,292,000 for new construction is divided among the following disciplines or functions:

Discipline	Amount	Percent of Total
Natural sciences	\$13,034,000	28.8
Humanities and social sciences	8,168,000	18.0
Engineering	9,581,000	21.2
Libraries	6,630,000	14.6
Medical sciences	6,279,000	13.9
Law	1,600,000	3.5
	\$45,292,000	100.0

Of the \$72,161,103 from the State Construction Program Fund and federal grant programs, the new

campuses at Irvine, San Diego, and Santa Cruz are scheduled for 50 percent; Davis and Santa Barbara, upon which much of the University's growth in years immediately ahead must fall, are scheduled for 24 percent; medical and health sciences centers are scheduled for 18 percent; Berkeley, Los Angeles, and Riverside are scheduled for 4 percent; and other activities combine for 4 percent.

The University's five-year Capital Outlay Program is sized to accommodate a projected enrollment increase from 1967-68 to 1971-72 of 19,080 students, excluding an additional 11,506 students which will be accommodated through going to year-round operation at little capital expense. The program also includes new facilities for the California College of Medicine, new buildings for dentistry and nursing at San Francisco, completion of facilities for the San Diego medical school and basic science facilities for a new medical school at Davis.

State Colleges

Five-year Program (In Thousands)					
1967-68	1968-69	1969-70	1970-71	1971-72	Total
\$134,771	\$158,753	\$115,195	\$114,504	\$40,327	\$563,550
75,630	102,895	86,293	62,527	29,027	356,371 ^a
59,141	55,858	28,902	51,978	11,300	207,179 ^b

^a Capital Outlay Fund for Public Higher Education, State Construction Program Fund (Budget year includes projects totaling \$13,875 funded in prior years) and unfunded.

^b Federal and other nonstate funds.

The 1967-68 Capital Outlay Program for the State Colleges total an expenditure of \$134,770,972. Of this total \$74,244,420 (includes projects totaling \$13,875,420 funded in prior years) is proposed from the State Construction Program Fund; \$16,297,337 anticipated from the Higher Education Facilities Act, Title I; \$1,000,000 of other federal funds; \$41,843,649 anticipated from other nonstate sources; and \$1,385,566 is proposed from the Capital Outlay Fund for Public Higher Education.

The total from the State Construction Program and federal grant programs for 1967-68 is \$78,051,903. Following is a breakdown of this total by type of project:

Project	Amount	Percent of total
Science and engineering facilities	\$22,838,000	29.3
Physical education facilities	1,330,000	1.7
Music, speech, and drama facilities	4,842,000	6.2
Other instructional facilities	23,863,500	30.6
Site development	8,112,000	10.4
Land acquisition	3,945,000	5.0
Other	6,622,000	8.5
Equipment	3,913,837	5.0
Preliminary plans and general studies	1,200,000	1.5
Minor capital outlay	1,385,566	1.8
	\$78,051,903	100.0

The Board of Trustees of the California State Colleges was created by Chapter 49, Statutes of 1960, 1st Extraordinary Session, and on July 1, 1961, took over the powers, duties and functions previously vested in the State Board of Education and the Director of Education relative to the administration of the state colleges. One of the major functions of this board of trustees and its administrative staff is the planning for the 19 physical plants, including the new sites for Dominguez Hills and Kern County. It is anticipated that in the period 1967-68 through 1971-

72 the statewide enrollments will rise from 120,004 to 156,536. The five-year Capital Outlay building program estimates the facilities needed to properly provide for this increase of 36,532 FTE.

Junior Colleges

Five-year Program (In Thousands)					
1967-68	1968-69	1969-70	1970-71	1971-72	Total
\$19,617	\$10,500	\$10,500	\$10,521	\$10,868	\$62,006

In past years the Legislature has appropriated sums of moneys for junior college construction assistance without any definite plan for providing state funds on a continuing basis. Recognizing this need, the Legislature during the 1965 session passed SB 318 which provided the vehicle for a shared state and local district junior college capital outlay program on a continuing basis.

State Construction Program Bond funds in the amount of \$50 million were provided in the 1964 General Election for the junior colleges. Of this amount \$25,122,000 was approved by the Legislature in the 1965-66 Budget subject to the enactment of SB 318. Because of the timing involved this amount was appropriated to the Department of Education in a lump sum for allocation without legislative review.

Under the provisions of SB 318 the junior college capital outlay projects were itemized in the 1966-67 Budget for the first time. That budget provided for an appropriation of \$7,955,973 from the State Construction Program Fund to the Department of Education to be allocated to the junior college districts in accordance with the schedule noted in the expenditure detail of that budget.

The 1967-68 Budget proposes an appropriation of \$19,617,030 from the State Construction Program Fund to the Department of Education to be allocated to the junior college districts in accordance with the schedule noted in the expenditure detail of this budget.

Department of Education

Five-year Program (In Thousands)					
1967-68	1968-69	1969-70	1970-71	1971-72	Total
\$148	\$1,600	\$180	\$1,689	\$170	\$3,787
99	1,600	180	1,689	170	3,738
49	-	-	-	-	49 ^b

^b Federal funds.

The Department of Education administers 5 special schools for physically handicapped children: 1 for education of the blind, 2 for education of the deaf, and 2 for diagnosis and education evaluation of cerebral palsied children. The Department of Education budget for 1967-68 totals \$147,500 of which \$48,600 is anticipated from federal sources and the remainder from the General Fund. The projects proposed for the budget year include: 1 minor project for \$3,000 for the School for the Blind; 1 minor project for \$28,300 for the School for Cerebral Palsied Children, Northern California; 1 major project totaling \$97,200 to provide an addition to the vocational training building, for which half the cost will be met with federal funds and 1 minor project for \$6,500 for the School for the Deaf at Berkeley; and 1 minor project for \$12,500 for the School for the Deaf at Riverside.

HEALTH AND WELFARE

Mental Hygiene

Five-year Program (In Thousands)

1967-68	1968-69	1969-70	1970-71	1971-72	Total
\$1,682	\$10,814	\$39,667	\$19,111	\$23,170	\$94,444

The Department of Mental Hygiene's capital outlay projects in the budget year total \$1,682,195. Of this amount, \$117,000 is included for the Neuropsychiatric Institute at the University of California, Los Angeles, for partial equipment of the outpatient unit which is scheduled for completion in February 1968. At Napa State Hospital \$67,600 is proposed for improvements to the storm and sanitary sewer systems. Included in the total is \$1,497,595 for minor projects to improve and correct deficiencies and to maintain existing facilities.

Projected five-year needs are for \$94 million to provide an upgrading of existing facilities as well as the provision of additional facilities of a specialized nature in combating the problems of mental retardation and mental illness with special emphasis on diagnosis, treatment, training, research, rehabilitation, and prevention.

Department of Public Health

Five-year Program (In Thousands)

1967-68	1968-69	1969-70	1970-71	1971-72	Total
-	\$450	\$5,675	-	-	\$6,125

The only capital outlay project anticipated for the Department of Public Health during the next five years is an annex to the laboratory in Berkeley. In order to relieve overcrowded conditions in the existing laboratory facilities and to provide for anticipated program needs approximately 34,000 net square feet of laboratory space will be required. In addition, approximately 20,000 net square feet of office space not related to the laboratory function are proposed. The office space will be designed to allow for future conversion to laboratory space when needed. Working drawings are contemplated for 1968-69 with construction scheduled for 1969-70.

Department of Rehabilitation

Five-year Program (In Thousands)

1967-68	1968-69	1969-70	1970-71	1971-72	Total
-	\$6,400	\$1,600	-	-	\$8,000
-	6,400	-	-	-	6,400 ^a
-	-	1,600	-	-	1,600 ^b

^a Unfunded.

^b Federal funds.

The \$8,000,000 capital outlay program for the Department of Rehabilitation is the total of the present anticipated five-year plan shown, all of which is proposed in 1968-69. This amount is for construction funds for a new institution to be located on the grounds of Agnews State Hospital at San Jose. The new institution will have a capacity of 500 to serve the mentally retarded who do not need intensive medical and psychiatric treatment, but who do require protective living environment. The master plan for this new institution provides for cottages of a capacity of 22 each and related teaching facilities to accomplish this purpose. Advance for the federal share of this project is \$1,600,000.

CORRECTIONS

Department of Corrections

Five-year Program (In Thousands)

1967-68	1968-69	1969-70	1970-71	1971-72	Total
\$725	\$34,759	\$27,540	\$46,315	\$20,438	\$129,776

The proposed capital outlay expenditures for the Department of Corrections for 1967-68 is \$725,191. The major projects total \$250,000 and include the following projects: \$30,000 for equipment for the second phase of the South Facility replacement at Correctional Training Facility; \$20,000 for equipment for the first phase, barracks replacement at the California Institution for Men; \$200,000 at San Quentin to modify the sewage in accordance with accepted health standards for sewage effluent.

This budget also proposes \$475,191 for minor capital outlay projects at various institutions.

The five-year construction program for this Department totals \$129,776,391. This projection includes projects to provide additional capacity through construction of new institutions and projects to upgrade and expand existing facilities. The most significant projects are the 1,400-bed Special Security Facility at Vacaville and the 1,600-bed Medical Correctional Institution near San Diego.

The currently projected population increase for the five-year period is 4,340.

Youth Authority

Five-year Program (In Thousands)

1967-68	1968-69	1969-70	1970-71	1971-72	Total
\$1,349	\$38,095	\$14,410	\$12,111	\$2,141	\$68,106

The 1967-68 proposed capital expenditures for the Department of the Youth Authority totals \$1,349,199. Approximately one-half of this amount will be spent to equip the DeWitt Nelson Youth Conservation Training Center and related central service facilities at the Northern California Youth Center.

In addition, additional water storage capacity will be provided at the new Reception Center and Clinic, located adjacent to the Ventura School for Girls. A boiler will be replaced at the Fred C. Nelles School for Boys, and a small parcel of land will be purchased to enable the Fricot Ranch School for Boys to have all their water lines and pumping equipment on state-owned land.

Minor projects included in the total will provide necessary alterations and improvements for existing older institutions.

The total projected five-year construction program is \$68,105,984. Over half of this amount is shown in the year following the budget year. This results from the deferral of a number of projects which were originally proposed for the budget year, but which were not needed in view of the decline in the commitment rate of juvenile offenders to the Youth Authority.

This decline in the rate of commitments by the courts is a new phenomenon, and is probably due to the probation subsidy program and other programs of local assistance which encourage counties to retain delinquent youths in county operated facilities; as well as socioeconomic factors such as full employment and a high military draft rate.

If this trend continues, it may be necessary to reassess the five-year program in terms of a reduced commitment rate. The effects of the local assistance

programs will be viewed very carefully during 1967-68. If further adjustments to the five-year plan are necessary in terms of the effects of these programs and related socioeconomic conditions, they will be developed during the ensuing year, and included in the budget for 1968-69.

OTHER

Forestry

		Five-year Program (In Thousands)			Total
1967-68	1968-69	1969-70	1970-71	1971-72	
\$400	\$5,015	\$5,264	\$5,247	\$4,030	\$19,956

The Division of Forestry operates 234 forest fire stations, 81 lookouts, and 29 air attack camps. The latter are operated by the division in cooperation with the Departments of Youth Authority and Corrections. The projected five-year needs of the program total \$19,956,333 to provide for additional fire stations, lookouts, headquarters and conservation camp sites and facilities necessary to sustain present and anticipated growth. The 1967-68 Budget proposes appropriation of \$400,000 compared to the current year estimated expenditures of \$7,708,730 from prior year appropriations.

Veterans Affairs

		Five-year Program (In Thousands)			Total
1967-68	1968-69	1969-70	1970-71	1971-72	
\$141	\$3,013	\$699	\$567	\$837	\$5,256

Improvements to the Veterans' Home of California are proposed for \$140,620. A broken sewage effluent line will be replaced for \$81,700. Projected five-year needs are for \$5.3 million to construct a nursing care wing to the hospital, for alterations and additions to the culinary building, to construct a water filtration and purification plant for the domestic water system, and to construct and equip an addition to the women's section.

OFFICE BUILDINGS AND RELATED FACILITIES, GENERAL ADMINISTRATION

General Administration

		Five-year Program (In Thousands)			Total
1967-68	1968-69	1969-70	1970-71	1971-72	
\$1,301	\$11,506	\$19,326	\$12,900	\$10,450	\$55,482

The capital outlay program for General Services in the budget year has been reduced materially over original expectations. The major project proposed is \$900,000 to purchase partitions for office buildings 8 and 9 which are scheduled to open in mid-1968. \$50,506 will be used to equip the central heating and cooling plant and the remaining \$200,000 will fund necessary alterations, improvements and repairs to existing state office buildings due to occupancy changes.

The five-year program totals \$55,481,906 and provides office buildings with related facilities and sites for microwave vaults and other radio installations.

Vehicle Regulation

		Five-year Program (In Thousands)			Total
1967-68	1968-69	1969-70	1970-71	1971-72	
\$4,748	\$16,350	\$8,793	\$5,900	\$2,556	\$38,347

The 1967-68 capital outlay budget proposes \$3.9 million for the California Highway Patrol and \$0.8 million for the Department of Motor Vehicles. The

Highway Patrol request provides \$3.7 million for construction of the annex to the headquarters building and an area office building in Yreka. Another \$95,000 is included for working drawings for a shops and stores building in Los Angeles and a motor transport shop in Sacramento.

For the Department of Motor Vehicles \$743,500 is proposed for land acquisition projects for an office building and for additional parking facilities at Sacramento Headquarters.

The projected five-year program needs for the Highway Patrol and Motor Vehicles total \$38.3 million to provide field offices and necessary additional headquarters space and facilities.

District Fair Construction

This budget provides \$1,279,000 in appropriations for construction for district agricultural association projects. These funds provide for construction projects at various district agricultural associations which are detailed in the budget supplement containing the detailed fairs budget.

Parks and Recreation

		Five-year Program (In Thousands)			Total
1967-68	1968-69	1969-70	1970-71	1971-72	
\$1,137	\$37,609	\$33,538	\$30,855	\$30,747	\$133,886

Although the State Park System consists of over 190 units throughout the state, there is a growing demand for more recreational facilities. In recent years an effort has been made to partially meet these requirements by providing considerably more funds for acquisition and development in the State Park System.

As a consequence there is now a backlog of acquisition and development projects in various stages of planning completion for which the better part of \$100 million is available. This large program of recreational land acquisition and development was made possible largely by the State Beach, Park, Recreational and Historical Bond Act which was approved by the voters in November 1964. In addition to the bond funds there is a significant amount of General Fund moneys also in this acquisition and development program. In fiscal year 1967-68, the emphasis will be on reducing this backlog and making additional facilities available to the public as soon as possible.

The 1967-68 Budget also provides some additional funds to continue planning for future needs to purchase necessary parcels of land when the opportunity arises; and to provide for essential maintenance of facilities not provided for by funds currently available.

Total recreational needs over the next five years could cost another \$134 million if the state's park program continues to develop as planned in recent years. This estimate includes funds for campsites, picnic facilities, beach and water recreation facilities, and riding and hiking trails.

Wildlife Conservation

		Five-year Program (In Thousands)			Total
1967-68	1968-69	1969-70	1970-71	1971-72	
\$3,144	\$4,721	\$1,250	\$1,225	\$1,170	\$11,510

The total capital outlay expenditure proposed for protection, propagation and management of the state's

fish and wildlife resources in 1967-68 is \$3.1 million. \$1.352 million of this is proposed by the Wildlife Conservation Board for continuation of the program providing new hunting and fishing access as well as game and fish habitat development. In addition, new hatcheries will be constructed to provide additional trout for the state's anglers. The Department of Fish and Game proposes to spend \$1.575 million in the proposed budget year to construct a replacement motor vessel for the existing research ship *Scofield*, built in 1938.

The five-year program proposes expenditures of \$11,509,208 to continue replacement of patrol vessels, office facilities, new and additional fish hatchery facilities related to the fish and wildlife enhancement programs of the Department of Fish and Game and the Wildlife Conservation Board.

Highways

The State Highway budget is prepared by the Division of Highways, approved by the State Highway Commission and, in accordance with law, must be submitted to the Legislature without modification by the Governor. It is included here to provide a comprehensive report of state expenditures.

The capital outlay portion of the budget approved by the State Highway Commission includes \$308.7 million in funds derived from state sources and \$379.5 million in federal funds. In addition to providing construction funds for new multilane freeways, this budget also provides funds for traffic safety improvement projects such as easing curves, installing or modifying signals, constructing left-turn storage lanes, providing truck-climbing lanes, and many more.

Major construction effort in the new budget continues the state's 2,165-mile share of the national system of interstate and defense highways. Of the federal funds in this budget, \$327.8 million is included for the completion of this system which, by federal law, must be accomplished by 1973.

California Water Facilities

Five-year Program (In Thousands)

1967-68	1968-69	1969-70	1970-71	1971-72	Total
\$369,062	\$505,959	\$380,531	\$276,132	\$184,674	\$1,716,358

As the State Water Project enters its sixth year of construction, work under contract or completed represents over 50 percent of the completed project. The placement of embankment material for Oroville Dam is now approximately 75 percent complete and is scheduled for completion during 1967-68.

Construction activity will be completed on the North San Joaquin Aqueduct and the San Luis Division during 1967-68 with water delivery scheduled for Kettleman City in January, 1968. Construction will continue on other portions of the project with major increases in the South San Joaquin, Tehachapi, and the West Branch Divisions.

California Water Project expenditures for 1967-68 will total \$369 million, an increase of \$40 million over the current year level.

The balance of the 5-year program is directed towards continued construction of the State Water Project, with completion scheduled for 1972 and development of Eel River facilities.

Methods of Financing

The presentation of the capital budget is complicated by the numerous and diverse sources of funds and the accounting methods employed in reporting expenditures. The sources from which the capital budget is funded are described below:

1. Current revenues and any accumulated balances in governmental cost funds. These are moneys collected in the form of taxes, license and permit fees, interest on investments, and similar items of income.
2. The proceeds from the sale of general obligation bonds which bonds are secured by the "full faith and credit" of the state. Outstanding bonds of this kind are (a) State Construction Program bonds, and (b) State Beach, Park, Recreational, and Historical Facilities bonds. The repayment of principal and interest on such indebtedness constitutes a preferred claim on the financial resources of the state. Within this classification falls a special category referred to as "self-liquidating" bonds. Bonds in this category are the California Water Resources development bonds. In the case of this special grouping, such bonds although legally possessed by the characteristics of general obligation bonds are serviced from the revenues produced by the ventures or projects financed in this manner.
3. Revenue bonds are those that are secured solely by the income derived from the use or operation of the facilities funded by this method.
4. Trust certificates represent a form of capital financing which makes use of the large balances accumulated in trust accounts or funds of the state. Because such funds are dedicated to meet future obligations, sound fiscal management dictates the investment of the currently unneeded cash in these accounts and funds. One way of investing these moneys is by the purchase of trust certificates issued by the state for the construction of general purpose office buildings.
5. Direct loans authorized by the Legislature from the accumulated balances in certain special funds and other dedicated moneys in the treasury which are surplus to immediate future disbursements.
6. Nonstate funds such as endowments, grants, and certain other funds as payments of overhead charges on research projects conducted by the University represent yet another source of capital financing.

To provide a complete and comprehensive picture of the state's capital outlay program all proposed projects are included in the capital budget regardless of the source of financing.

Following the generally accepted principles of governmental accounting, however, only expenditures from governmental cost funds are included in the budget totals. Expenditures from bond proceeds and other forms of borrowing are excluded—such expenditures are reported as expenditures of the fiscal years in which the payments on principal and interest are made.

Schedule 1 — Capital Outlay

**COMPARATIVE STATEMENT OF EXPENDITURES BY PROGRAM, FUNCTION, ORGANIZATION UNIT AND FUND
FOR FISCAL YEARS 1965-66, 1966-67, AND 1967-68**

Page Ref- er- ence	Organization Unit	Actual 1965-66				Estimated 1966-67				Estimated 1967-68			
		General Fund	Special Funds	Total	Bond Funds ¹	General Fund	Special Funds	Total	Bond Funds ¹	General Fund	Special Funds	Total	Bond Funds ¹
	STATE BUILDING PROGRAM												
	Legislative:												
1	Joint Committee on Legislative Organization.....							\$50,000					
	Executive:												
1	California Disaster Office.....	\$86,953		\$86,953		78,402		78,402					
	General Administration:												
3	Department of General Services.....	1,041,903		1,041,903	\$28,835,494	2,635,406		2,635,406		\$1,300,506		\$1,300,506	
3	State Fair and Exposition.....	348,600		348,600		5,871,883		14,174,883			\$5,200,000	5,200,000	
3	State Fair and Exposition.....						^a (13,259,677)						
	Totals, General Administration.....	\$1,390,503		\$1,390,503	\$28,885,494	\$8,510,289		\$16,810,289	\$477,706	\$1,300,506	\$5,200,000	\$6,500,506	
	Agriculture:												
8	Department of Agriculture.....	\$6,674		\$6,674	\$446,805	\$102,739		\$102,739	\$14,332				
8	Department of Agriculture.....		^b (\$6,900)										
8	Museum of Science and Industry.....	—73,390	\$124,149	50,759		349,219		349,219		\$35,810		\$35,810	
	Totals, Agriculture.....	—\$66,718	\$124,149 (\$6,900)	\$57,433	\$446,805	\$451,958 (\$122,744)		\$451,958	\$14,332	\$35,810		\$35,810	
	Corrections:												
	Department of Corrections:												
12	Departmental Administration.....	\$31,633		\$31,633	\$351,738	\$8,058		\$8,058	\$78,750	\$1,875		\$1,875	
12	California Conservation Center.....				465,052				262,698	14,500		14,500	
12	Sierra Conservation Center.....	59,714		59,714		54,437		54,437		10,035		10,035	
12	Southern Conservation Center.....	2,995		2,995	612,626	20,000		20,000	1,074,514	35,822		35,822	
12	Correctional Institution at Tehachapi.....	128,265		128,265	488,100	465,340		465,340	715,100	25,255		25,255	30,000
12	Correctional Training Facility.....	66,301		66,301	261,100	369,489		369,489	28,162	14,083		14,083	
12	Devel Vocational Institution.....	79,005		79,005		151,707		151,707		130,908		130,908	
12	State Prison at Folsom.....	66,077		66,077		261,080		261,080	522,981	69,395		69,395	20,000
12	Institution for Men.....				3,446				890,000				
13	Medical Correctional Institution.....				7,064								
13	Medical Facility.....	12,310		12,310	55,135	4,055		4,055	215,747	19,140		19,140	
13	Men's Colony—East Facility.....	8,153		8,153	9,213	14,008		14,008		6,690		6,690	
13	Men's Colony—West Facility.....	3,195		3,195		7,211		7,211		14,370		14,370	
13	State Prison at San Quentin.....	23,329		23,329	398,534	393,905		393,905	1,184,974	279,400		279,400	
13	Institution for Women.....	59,417		59,417	65,373	52,944		52,944	152,838	52,657		52,657	
13	Rehabilitation Center.....					120,300		120,300		1,061		1,061	
	Totals, Department of Corrections.....	\$540,484		\$540,484	\$2,717,441	\$1,920,532		\$1,920,532	\$5,115,242	\$675,191		\$675,191	\$50,000

¹ From State Construction Program Fund unless otherwise indicated—not included in overall budget totals.

^a From the Public Building Construction Fund—not included in budget totals.

^b From the Department of Agriculture Building Fund—not included in overall budget totals.

^c From the California Museum of Science and Industry Fund.

Schedule 1—Capital Outlay. COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Page Ref- er- ence	Organization Unit	Actual 1965-66				Estimated 1966-67				Estimated 1967-68			
		General Fund	Special Funds	Total	Bond Funds ¹	General Fund	Special Funds	Total	Bond Funds ¹	General Fund	Special Funds	Total	Bond Funds ¹
STATE BUILDING PROGRAM—Continued													
Corrections—Continued:													
Department of the Youth Authority:													
Departmental Administration													
Northern California Reception Center and Clinic.....													
35	Southern California Reception Center and Clinic.....	\$3,833		\$3,833		\$15,953		\$15,953					
Clinic.....													
35	Youth Authority Conservation Camps for Boys	44,950		44,950		70,700		70,700		\$21,100		\$21,100	
Priest Ranch School for Boys.....													
35	Fred C. Nelles School for Boys.....	112,073		112,073	\$290,819	70,000		70,066	\$513,720	2,000		2,000	
35	Northern California Youth Center.....	29,460		29,460	93,563	148,700		148,700	116,097	147,300		147,300	
35	Southern California Youth Center.....				1,626,921				1,263,657				\$665,984
Paso Robles School for Boys.....													
35	Preston School of Industry.....	86,381		86,381	—20,730	137,167		137,167	20,730	102,040		102,040	
35	Youth Training School.....	160,898		160,898		149,628		149,628		122,900		122,900	
35	Los Gulleros School for Girls.....	8,397		8,397	0,480	578		678		13,400		13,400	
36	Ventura School for Girls.....	3,487		3,487		58,295		58,295	107,620	114,275		114,275	
36		—940		—640	1,907,294	40,200		40,200	186,312	50,200		60,200	110,000
Totals, Department of the Youth Authority.....													
		\$469,611		\$469,911	\$3,004,453	\$998,962		\$998,962	\$3,237,418	\$573,215		\$573,215	\$775,984
Totals, Corrections.....													
		\$1,010,395		\$1,010,395	\$6,621,804	\$2,619,494		\$2,619,494	\$8,352,660	\$1,248,406		\$1,248,406	\$825,984
Education:													
Department of Education:													
Special Schools for Physically Handicapped Children:													
54	School for the Blind.....	—\$97		—\$97		\$65,400		\$65,400		\$3,000		\$3,000	
54	School for Cerebral Palsied Children, Northern California.....	1,460		1,460		5,300		5,300		28,360		28,360	
54	School for Cerebral Palsied Children, Southern California.....	7		7									
54	School for the Deaf, Berkeley.....	15,754		15,754		58,998		58,998		55,100		55,100	
54	School for the Deaf, Riverside.....	10,230		10,230		17,724		17,724		12,660		12,660	
Totals, Education.....													
		\$27,344		\$27,344		\$147,422		\$147,422		\$98,900		\$98,900	
Higher Education:													
60	University of California.....	\$1,629,000		\$1,629,560	\$57,013,460	\$1,369,772		\$1,350,772	\$66,062,706		\$1,764,738	\$1,794,738	\$55,862,301
60	University of California.....												
State Colleges:													
102	Trustees of the California State Colleges.....				863,497				13,625,166				1,460,060
102	Chico State College.....	132,624		132,624	230,400	108,310		198,310	1,801,732		\$39,906	39,900	11,110,300
102	State College, Dominguez Hills.....				201,975				14,174,113				3,946,060
102	Fresno State College.....	103,245		103,245	1,751,105	124,931		124,931	1,424,127		\$96,970	96,970	1,850,000
102	State College at Fullerton.....	21,388		21,388	3,257,596	14,011		14,011	0,762,019		\$96,600	96,600	3,793,000
102	State College at Hayward.....	30,326		30,326	864,853	39,906		39,909	0,141,821		\$62,350	62,350	3,416,600

¹ From State Construction Program Fund unless otherwise indicated—not included in overall budget totals.

⁴ From University Plant Funds and nonstate funds—not included in overall budget totals.

⁶ From Capital Outlay Fund for Public Higher Education.

Schedule 1 — Capital Outlay. COMPARATIVE STATEMENT OF EXPENDITURES — Continued

Page Ref- er- ence	Organization Unit	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
	STATE BUILDING PROGRAM—Continued									
	Higher Education—Continued									
	State Colleges—Continued									
	Humboldt State College.....	\$141,765		\$141,765	\$165,751		\$143,170	\$2,505,069		\$2,505,069
102	State College in Kern County.....								\$78,770	\$78,770
102	State College at Long Beach.....	49,005		49,005	3,158,801		237,508	1,024,136		1,024,136
103	State College at Los Angeles.....	10,714		10,714	2,067,010		71,075	19,710,400		19,710,400
103	Sacramento State College.....	65,287		65,287	1,623,430		78,600	2,179,992		2,179,992
103	State College at San Bernardino.....				5,222,609		130,540	3,219,422		3,219,422
103	State College at San Diego.....	105,492		105,492	1,046,085		281,361	12,705,292		12,705,292
103	San Fernando Valley State College.....	70,955		70,955	1,388,817		44,251	1,550,140		1,550,140
104	San Francisco State College.....	262,630		262,630	1,795,422		—97,737	7,143,183		7,143,183
104	San Jose State College.....	33,746		33,746	1,554,189		14,059	7,062,696		7,062,696
104	Sonoma State College.....	17,001		17,001	2,014,094		43,488	7,325,014		7,325,014
104	Stanislaus State College.....	11,801		11,801	152,369		47,199	1,152,279		1,152,279
104	State Polytechnic College—San Luis Obispo Campus.....	64,136		64,136	585,970		78,177	4,001,622		4,001,622
105	State Polytechnic College—Kalgoeg Voorhis Campus.....	11,344		11,344	829,493		49,240	5,328,115		5,328,115
105	Less Anticipated Federal Funds.....									
	Totals, State Colleges.....	\$1,131,762	1(\$37,912)	\$1,131,762	\$28,773,465	1(\$51,505,149)	\$1,497,198	\$118,940,398	\$1,385,566 1(\$41,843,649)	\$1,385,566 1(\$41,843,649)
167	Maritime Academy.....	21,246		21,246			35,500			35,500
168	Junior College Construction.....				25,889,848			7,955,973		7,955,973
	Totals, Higher Education.....	\$2,682,608	1(\$31,929,503)	\$2,682,608	\$112,276,763	1(\$95,128,943)	\$2,902,470	\$192,950,041	\$3,180,304 1(\$70,300,621)	\$3,187,804 1(\$70,300,621)
	Employment:									
174	Department of Employment.....									
	Fiscal Affairs:									
177	Department of Finance.....	\$3,893,805		\$3,893,805			\$6,438,317			\$6,438,317
178	Division of State Lands.....						54,300			54,300
	Totals, Fiscal Affairs.....	\$3,893,805	1(\$285,553)	\$3,893,805	\$285,553	1(\$285,553)	\$6,491,717			\$6,491,717
	Health and Welfare:									
179	Department of Mental Hygiene.....	\$1,790,099		\$1,790,099	\$4,414,985		\$1,983,618	\$12,533,832		\$12,533,832
197	Department of Public Health.....	165,350		165,350	535,000		—258,250			—258,250
	Department of Rehabilitation.....							300,000		300,000
198	Hospital Facility for Mentally Retarded.....									
198	Orientation Center for the Blind.....	8,288		8,288			2,050			2,050
	Totals, Health and Welfare.....	\$1,963,737	1(\$285,553)	\$1,963,737	\$4,949,985	1(\$285,553)	\$1,727,418	\$12,833,832		\$12,833,832
	Totals.....	\$1,963,737	1(\$285,553)	\$1,963,737	\$4,949,985	1(\$285,553)	\$1,727,418	\$12,833,832		\$12,833,832

¹ From State Construction Program Fund unless otherwise indicated—not included in overall budget totals.

² From Capital Outlay Fund for Public Higher Education.

³ From nonstate funds—not included in overall budget totals and reported in total for the state colleges.

⁴ From the Department of Employment Contingent Fund.

Schedule 1—Capital Outlay. COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Ref- or- enco	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
		General Fund	Special Funds	Total	Bond Funds ¹	General Fund	Special Funds	Total	Bond Funds ¹	Total
STATE BUILDING PROGRAM—Continued										
Military Affairs:										
Military Department.....	200	\$241,137		\$241,137		\$349,127		\$349,127		\$192,230
Regulation and Licensing:										
Department of Professional and Vocational Standards.....	203		^b (\$55,451)				^b (\$25,150)			
Resources:										
Department of Conservation.....	205	\$1,008,668		\$1,008,668	\$3,650,682	\$1,839,442		\$1,839,442	\$5,232,480	\$400,000
Department of Water Resources.....	213	70,850		75,850		19,175		10,175		6,800
Totals, Resources.....		\$1,085,518		\$1,085,518	\$3,650,682	\$1,858,617		\$1,858,617	\$5,232,480	\$400,800
Transportation:										
Department of the California Highway Patrol.....	214		\$2,049,389	\$2,049,389			\$3,423,031	\$3,423,031		\$3,030,720
Department of Motor Vehicles.....	217		1,640,770	1,640,770			5,107,023	5,107,023		811,025
Totals, Transportation.....			\$3,690,159	\$3,690,159			\$8,530,054	\$8,530,054		\$4,748,345
Veterans Affairs:										
Veterans' Home of California.....	220	\$185,030		\$185,930	\$15,276	\$100,360		\$100,800	\$451,200	\$53,920
Unallocated:										
Project Planning.....	222	\$209,828		\$209,828	\$375,080	\$632,750		\$632,750	\$36,500	
Project Planning.....	222				\$83,707				\$101,203	
Miscellaneous Repairs, Improvements and Equipment.....	222					56,465		56,465		100,000
Interest on loans from General Fund.....	222				130,854				118,505	
Totals, Unallocated.....		\$209,828		\$209,828	\$594,551	\$689,215		\$689,215	\$376,208	\$400,060
TOTALS, STATE BUILDING PROGRAM		\$12,711,042	\$3,534,755	\$16,245,797	\$157,441,550	\$25,066,926	\$10,511,053	\$42,578,882	\$229,607,459	\$18,340,660
			² (\$1,991,884)				² (\$108,556,514)			
<i>State Construction Program Fund²:</i>										
<i>State Beach, Park, Recreational and Historical Facilities Fund²:</i>										
					<i>157,352,763</i>				<i>220,536,256</i>	<i>150,631,435</i>
					<i>83,707</i>				<i>161,203</i>	<i>50,000</i>
DISTRICT FAIR CONSTRUCTION PROGRAM										
Agriculture:										
District Agricultural Associations.....	226	\$33,502	\$1,901,155	\$1,934,747		\$1,065,113	\$3,913,001	\$5,878,114		\$1,270,000

¹ From State Construction Program Fund unless otherwise indicated—not included in overall budget totals.

² Bond funds and all amounts in parentheses are not included in overall budget totals.

³ From the State Beach, Park, Recreational and Historical Facilities Fund—not included in overall budget totals.

⁴ From the Professional and Vocational Standards Fund—not included in overall budget totals.

⁵ From the Motor Vehicle Fund.

⁶ From the Fair and Exposition Fund.

Schedule 1—Capital Outlay. COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
		General Fund	Special Funds	Total	Bond Funds ¹	General Fund	Special Funds	Total	Bond Funds ¹	Total
STATE HIGHWAY PROGRAM Transportation Agency: Department of Public Works: Division of Highways..... Division of Highways—Other Funds.....	234		¹ \$332,455,968	\$332,455,968			¹ \$455,036,243			
	234		¹ (23,721,415)				¹ (17,433,077)			\$308,736,500
WILDLIFE CONSERVATION PROGRAM Resources: Department of Fish and Game..... Wildlife Conservation Board..... Totals, Wildlife Conservation Program.....	305		¹ \$164,183	\$164,183			¹ \$1,050,262			
	307		¹ \$64,048	\$64,048			¹ \$81,400			\$1,791,500
			\$828,231	\$828,231			\$2,031,662			\$1,950
PARKS AND RECREATION ACQUISITION AND DEVELOPMENT PROGRAM Resources: Department of Harbors and Watercraft..... Department of Parks and Recreation: Division of Beaches and Parks.....	310		¹ (\$92,415)				¹ \$808,640			
	310	\$10,110,672	¹ \$64,702	\$10,175,374	¹ \$9,619,879	\$14,318,709	¹ \$35,298	\$14,754,007	¹ \$71,539,565	\$1,000,000
										\$137,541
CALIFORNIA WATER FACILITIES PROGRAM Resources: Department of Water Resources..... TOTALS, CAPITAL OUTLAY.....	333	\$551,975	¹ \$14,459,229	\$15,011,204	¹ \$250,116,588	\$457,458	¹ \$10,624,620	\$43,416	¹ \$10,632,000	\$202,213,334
		\$23,407,281	² \$55,243,940	\$78,651,221	² \$422,277,823	\$42,806,209	² \$488,552,677	\$9,474,653	² \$336,163,343	\$156,173,018
			² (80,805,714)				² (126,783,231)		² (70,300,621)	\$509,742,586
State Construction Program Fund ² Central Valley Water Project Construction Fund ² California Water Resources Development Bond Fund ² State Beach, Park, Recreational and Historical Facilities Fund ²					¹ 167,353,768					160,631,435
					¹ 4,452,738					156,173,018
					¹ 260,116,588					202,213,334
Totals, State Construction Program Fund..... Totals, Central Valley Water Project Construction Fund..... Totals, California Water Resources Development Bond Fund..... Totals, State Beach, Park, Recreational and Historical Facilities Fund.....					¹ 10,356,694					724,789

¹ From State Construction Program Fund unless otherwise indicated—not included in overall budget totals.

² Bond funds and all amounts in parentheses are not included in overall budget totals.

³ From the State Beach, Park, Recreational and Historical Facilities Fund—not included in overall budget totals.

⁴ From the California Water Resources Development Bond Fund—not included in overall budget totals.

⁵ From the Central Valley Water Project Construction Fund—not included in overall budget totals.

⁶ From state highway funds.

⁷ For state highway purposes from other funds—not included in overall budget totals.

⁸ From the Fish and Game Preservation Fund.

⁹ From the Wildlife Restoration Fund.

¹⁰ From the Harbors and Watercraft Revolving Fund—not included in overall budget totals.

¹¹ From the Motor Vehicle Transportation Tax Fund.

¹² From the California Water Fund.

Schedule 2—Capital Outlay

COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1965-66, 1966-67, AND 1967-68

Function	Page refer- ence	Actual 1965-66	Estimated 1966-67	Estimated 1967-68
STATE BUILDING PROGRAM				
EXECUTIVE:				
Disaster Office				
Minor Projects.....	1	\$76,944	\$88,806	-----
EDUCATION:				
Department of Education				
Schools for Physically Handicapped Children				
School for Deaf, Berkeley				
Federal Vocational Education Act.....	54	-----	48,650	\$48,600
School for Deaf, Riverside				
Federal Vocational Education Act.....	54	-----	9,000	-----
Totals, Education.....			\$57,650	\$48,600
HIGHER EDUCATION:				
University of California.....	60	\$10,721,500	\$12,500,000	\$15,119,764
State Colleges:				
Trustees of the California State Colleges.....	105	-----	-----	\$16,297,337
Trustees of the California State Colleges ¹	105	-----	(\$6,506,300)	(8,192,000)
San Francisco State College.....	105	-----	1,000,000	-----
San Jose State College.....	105	-----	-----	1,000,000
Totals, State Colleges.....			\$1,000,000 (6,506,300)	\$17,297,337 (8,192,000)
Junior College Construction.....	168	\$7,826,896	\$6,953,420	\$7,000,000
Totals, Higher Education.....		\$18,548,396	\$20,453,420 (6,506,300)	\$39,417,101 (8,192,000)
EMPLOYMENT:				
Department of Employment				
Construction.....	174	-\$62,683	\$1,808,700	-----
Recovery of Capital Expenditures through rent.....	174	-\$363,936	-\$382,488	-\$378,139
Totals, Department of Employment.....		-\$426,619	\$1,426,212	-\$378,139
HEALTH AND WELFARE:				
Department of Mental Hygiene				
Neuropsychiatric Institutes				
Neuropsychiatric Institute at University of California, Los Angeles.....	179	-----	\$3,754,835	-----
Department of Public Health				
Cancer Research Facility, Berkeley.....	197	\$532,795	92,900	-----
Department of Rehabilitation				
Orientation Center for the Blind.....	198	14,052	6,150	-----
Totals, Health and Welfare.....		\$546,847	\$3,853,885	-----
MILITARY AFFAIRS:				
Military Department				
Construction of Armories.....	200	-----	-----	\$33,400
Facilities for maintenance and care of federal equipment.....	200	(\$606,294)	(\$2,113,437)	(3,949,915)
RESOURCES:				
Department of Conservation				
Division of Forestry.....	205	\$133,394	\$636,808	-----
Totals, State Building Program.....		\$18,878,962 (606,294)	\$26,516,781 (8,619,737)	\$39,120,962 (12,141,915)
STATE HIGHWAY PROGRAM				
TRANSPORTATION:				
Department of Public Works				
Division of Highways.....	234	\$323,228,912	\$339,409,354	\$379,549,249

¹ If federal grant funds become available, these amounts will be reported as expenditures in subsequent budgets.

Schedule 2—Capital Outlay. COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1965-66, 1966-67, AND 1967-68—Continued

Function	Page refer- ence	Actual 1965-66	Estimated 1966-67	Estimated 1967-68
WILDLIFE CONSERVATION PROGRAM				
Department of Fish and Game				
Accelerated Public Works Program-----	305	\$75,000	-----	-----
Wildlife Conservation Board				
Accelerated Public Works Program-----	307	78,606	-----	-----
Land and Water Conservation Fund Act-----	307	-----	\$462,370	-----
Land and Water Conservation Fund Act—Unallocated-----			-----	\$290,400
Totals, Wildlife Conservation Program-----		\$153,606	\$462,370	\$290,400
PARKS AND RECREATION ACQUISITION AND DEVELOPMENT PROGRAM				
Department of Parks and Recreation				
San Luis Project-----	310	-----	\$2,284,390	-----
CALIFORNIA WATER FACILITIES PROGRAM				
Department of Water Resources				
Flood Control—Oroville Dam Project-----	337	\$12,760,000	\$8,503,900	\$15,325,662
TOTALS, CAPITAL OUTLAY (<i>Federal Funds</i>)-----		\$355,021,480 (606,294)	\$377,176,795 (8,619,737)	\$434,286,273 (12,141,915)

Schedule 3—Capital Outlay

SUMMARY OF PROPOSED EXPENDITURES BY METHODS OF APPROPRIATION FOR THE FISCAL YEAR 1967—68

Function	Proposed Budget Act of 1967				Fixed Charges		Prior Year Appropriations, Continuing Appropriations and Reappropriations				Total Expenditure
	General Fund	Special Funds	Total	Bond Fund ^a	Special Funds	Bond Funds	General Fund	Special Funds	Total	Bond Fund ^a	
STATE BUILDING PROGRAM											
General Administration:											
Department of General Services	\$1,300,506		\$1,300,506								\$1,300,506
State Fair and Exposition					\$5,200,000						5,200,000
Agriculture:											
Museum of Science and Industry	35,810		35,810								35,810
Corrections:											
Department of Corrections	675,191		675,191	\$50,000							675,191
Department of the Youth Authority	573,215		573,215	775,984							573,215
Education:											
School for the Blind	3,000		3,000								3,000
School for Cerebral Palsied Children, Northern California	28,300		28,300								28,300
School for the Deaf, Berkeley	55,100		55,100								55,100
School for the Deaf, Riverside	12,500		12,500								12,500
Higher Education:											
University of California	\$1,794,738		1,794,738	55,246,601				\$28,456,972		\$615,700	1,794,738
Trustees of the California State Colleges	1,385,566		1,385,566	60,369,000				3(41,843,649)		13,875,420	1,385,566
California Maritime Academy	7,500		7,500								7,500
Junior College Construction				19,617,030							
Employment:											
Department of Employment											
Unemployment Trust Fund (Reed Act)								—219,256 o(—378,139)	—\$219,256		—219,256 (—378,139)
Health and Welfare:											
Department of Mental Hygiene	1,682,195		1,682,195								1,682,195
Military Affairs:											
Military Department	192,230		192,230								192,230
Resources:											
Department of Conservation	400,000		400,000								400,000
Department of Water Resources	6,800		6,800								6,800
Transportation:											
Department of the California Highway Patrol		3,936,720	3,936,720								3,936,720
Department of Motor Vehicles		811,625	811,625								811,625
Veterans Affairs:											
Veterans' Home of California	58,920		58,920	81,700							58,920
Unallocated:											
Project Planning	300,000		300,000								300,000
Miscellaneous Repairs, Improvements and Equipment	100,000		100,000								100,000
TOTALS, STATE BUILDING PROGRAM	\$5,431,267	\$7,928,649	\$13,359,916	\$136,190,315	\$5,200,000			\$—219,256 (69,922,482)	\$—219,256	\$14,491,120	\$13,340,660
General Fund											\$5,431,267
Special Funds											12,909,393

^a From State Construction Program Fund unless otherwise indicated—not included in overall budget totals.

^b From Capital Outlay Fund for Public Higher Education.

^c From University Plant Funds and nonstate funds—not included in overall budget totals.

^d From nonstate funds—not included in overall budget totals.

^e Unemployment Trust Fund expenditures are included in Schedule 2 but not in Schedule 1—not included in overall budget totals.

^f From the State Beach, Park, Recreational and Historical Facilities Fund—not included in overall budget totals.

Schedule 3—SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1967—68—Continued

Function	Proposed Budget Act of 1967				Fixed Charges		Prior Year Appropriations, Continuing Appropriations and Reappropriations				Total Expenditure
	General Fund	Special Funds	Total	Bond Fund ^a	Special Funds	Bond Funds	General Fund	Special Funds	Total	Bond Fund ^a	
DISTRICT FAIR CONSTRUCTION PROGRAM											
Agriculture: District Agricultural Associations.....					\$1,279,000						\$1,279,000
STATE HIGHWAY PROGRAM											
Transportation Agency: Division of Highways.....					\$308,736,500						\$308,736,500
WILDLIFE CONSERVATION PROGRAM											
Resources: Department of Fish and Game..... Wildlife Conservation Board.....		\$1,791,500	\$1,791,500	\$6,258	814,950					\$531,000	1,791,500 814,950
PARKS AND RECREATION ACQUISITION AND DEVELOPMENT PROGRAM											
Resources: Department of Parks and Recreation: Division of Beaches and Parks.....	1,000,000		1,000,000	\$137,541							1,000,000
CALIFORNIA WATER FACILITIES PROGRAM											
Resources: Department of Water Resources.....	43,416		43,416					\$10,632,000	\$10,632,000	\$202,213,334 \$156,173,018	10,675,416
GRAND TOTALS, CAPITAL OUTLAY	\$6,474,653	\$9,720,149	\$16,194,802	\$136,334,114	\$316,030,450			\$10,412,744 (69,922,482)	\$10,412,744	\$373,408,472	\$342,638,026
General Fund.....											\$6,474,653
Special Funds.....											\$336,163,373

^a From State Construction Program Fund unless otherwise indicated—not included in overall budget totals.

^c From the State Beach, Park, Recreational and Historical Facilities Fund—not included in overall budget totals.

^g From the California Water Resources Development Bond Fund—not included in overall budget totals.

^b From the Central Valley Water Project Construction Fund—not included in overall budget totals.

Schedule 4—Capital Outlay

COMPARATIVE STATEMENT OF FIXED CHARGES AND CONTROLLABLE EXPENDITURES FOR THE FISCAL YEARS 1965-66, 1966-67 AND 1967-68

Purpose and Legal Citation	Actual 1965-66			Estimated 1966-67			Estimated 1967-68		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
FIXED BY STATUTES:									
General Administration:									
Department of General Services:									
State Exposition and Fair									
Section 76 and 78.7, Agricultural Code.....					\$8,300,000	\$8,300,000		\$5,200,000	\$5,200,000
Agriculture:									
District Agricultural Associations.....									
Section 19630, Business and Professions Code and Section 88, Agricultural Code.....		\$1,901,155	\$1,901,155		2,663,001	2,663,001		1,279,000	1,279,000
Transportation Agency:									
Department of Public Works									
Section 183, Streets and Highways Code.....		331,727,981	331,727,981		454,490,577	454,490,577		308,736,500	308,736,500
Resources:									
Wildlife Conservation Board									
Section 1352, Fish and Game Code.....		664,048	664,048		981,400	981,400		814,950	814,950
TOTALS, FIXED CHARGES		\$334,293,184	\$334,293,184		\$466,434,978	\$466,434,978		\$316,030,450	\$316,030,450
CONTROLLABLE EXPENDITURES									
Expenditures from appropriations and authorizations which are subject to legislative or executive determinations, including Budget Act appropriations, special appropriations, balances available in prior year appropriations made available for expenditure for more than one fiscal year, and deficiency authorizations.									
TOTALS, CONTROLLABLE EXPENDITURES.....	\$23,407,281	\$18,950,756	\$42,358,037	\$42,808,209	\$22,117,699	\$64,925,908	\$6,474,683	\$30,132,893	\$26,607,576
TOTALS, CAPITAL OUTLAY	\$23,407,281	\$353,243,940	\$376,651,221	\$42,808,209	\$488,552,677	\$531,360,886	\$6,474,683	\$336,163,343	\$342,638,026

Schedule 5—Capital Outlay (Financed by the General Fund and Special Funds)
EXPENDITURES FOR THE 1965-66 AND 1966-67 FISCAL YEARS—RECONCILIATION OF THE CHANGES
FROM PREVIOUS BUDGET ESTIMATES

	1965-66 Fiscal Year				1966-67 Fiscal Year									
	1966-67 Governor's Budget Estimated Expenditures	Savings	1967-68 Governor's Budget Actual		1966-67 Budget as Submitted	Effect of Legislative Action	Total Proposed Expenditures	Prior Year Balance Forward Adjustments	Transfers	Allocations	Deficiency Appropriations	Estimated Savings	Estimated Expenditures	
GENERAL FUND														
Legislative.....	\$98,055	— \$11,102	\$86,953		\$67,300	\$50,000	\$50,000	\$11,102					\$50,000	
Executive.....	3,694,201	— 2,303,698	1,390,503		6,306,105	1,431,100	7,737,205	2,322,320	— \$186	\$177,627		— \$1,726,677	78,402	
General Administration.....	279,413	— 312,537	— 33,124		3,353,591	— 1,082,700	2,270,891	290,339	— 8,549			— 135,610	8,510,289	
Agriculture.....	1,508,565	— 498,170	1,010,395		2,262,564	48,800	2,311,364	481,195	— 1,722	8,486		— 179,829	2,619,494	
Corrections.....	31,936	— 4,592	27,344		138,565		138,565	8,860	— 3			147,422		
Education.....	3,397,327	— 714,719	2,682,608		2,629,200		2,629,200	728,061	— 56,804	7,486		— 405,473	2,902,470	
Higher Education.....	11,594,834	— 7,701,029	3,893,805		500,000	53,400	553,400	6,455,000	— 1,202			— 516,653	6,491,717	
Fiscal Affairs.....	2,313,502	— 349,765	1,963,737		1,496,793		1,496,793	500,024	— 1,377	4,971		— 273,078	1,727,418	
Health and Welfare.....	820,460	— 579,323	241,137		331,725		331,725	585,270	— 15,377			— 552,491	349,127	
Military Affairs.....	23,768,616	— 12,020,451	11,748,165		17,230,618	— 211,489	17,019,129	11,103,536	— 153,282	564,044		— 11,898,643	16,634,784	
Resources.....	236,660	— 50,730	185,930		315,270	— 140,000	175,270	52,530				— 37,000	190,800	
Veterans Affairs.....	319,765	— 109,937	209,828		1,700,000	— 100,000	1,600,000	— 54,383	238,331	— 647,380		— 447,353	689,215	
Unallocated.....														
Totals, Capital Outlay (General Fund).....	\$48,063,334	— \$24,656,053	\$23,407,281		\$36,331,731	\$49,111	\$36,380,842	\$22,483,854	\$1,116	\$115,234		— \$16,172,837	\$42,808,209	
SPECIAL FUNDS														
Administration.....	\$3,676,843	— \$1,651,539	\$2,025,304		\$1,500,890	\$1,250,000	\$2,750,890	\$2,368,307		\$8,300,000		— \$696,705	\$8,300,000	
Agriculture.....	959,698	— 1,245,251	— 285,553		— 463,183		— 463,183	1,269,470		— 509,491			3,913,001	
Employment.....	12,217,428	3,134,734	15,352,162		12,659,500		12,659,500	253,410	12,434	53,706		— 1,124,388	— 318,101	
Resources.....	425,596,826	— 89,444,799	336,152,027		321,082,997	667,200	321,750,197	89,537,068		58,130,974		— 5,871,942	13,091,480	
Transportation.....													463,566,297	
Total, Capital Outlay (Special Funds).....	\$442,450,795	— \$89,206,855	\$353,243,940		\$334,780,204	\$1,917,200	\$336,697,404	\$93,448,255	\$12,434	\$65,975,189		— \$7,580,605	\$488,552,677	
Total Capital Outlay (General and Special Funds).....	\$490,514,129	— \$113,862,908	\$376,651,221		\$371,111,935	\$1,966,311	\$373,078,246	\$115,932,109	\$13,560	\$66,090,423		— \$23,753,442	\$531,360,886	

